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WEST EUROPE REPORT

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CONTENTS

PAGE

THEATER NUCLEAR FORCES

FEDERAL REPUBLIC OF GERMANY

- SPD Divided on Modernizing NATO Atomic Weapons
(DER SPIEGEL, 6 Aug 79)..... 1

COUNTRY SECTION

BELGIUM

- CVP Maneuvers To Topple Martens Government
(Francis Monheim; SPECIAL, 21 Jun 79)..... 4
- FDF's Antoinette Spaak Interviewed
(SPECIAL, 21 Jun 79)..... 10
- Abelag Airways Formed, Begins Operations
(Pierre Sparaco; AVIATION MAGAZINE INTERNATIONAL,
15-31 May 79)..... 12
- Conversion to F-16's Underway
(Pierre Sparaco; AVIATION MAGAZINE INTERNATIONAL,
15-31 Jul 79)..... 14
- 'Light Aviation' Celebrates 25th Anniversary
(Pierre Sparaco; AVIATION MAGAZINE INTERNATIONAL,
15-31 Jul 79)..... 17

CANADA

- A 'Yes' on Referendum Might Cost Montreal 150,000 Jobs
(Alain Dubuc; LA PRESSE, 28 Jun 79)..... 19

CONTENTS (Continued)

Page

DENMARK

Glistrup Increasingly Isolated Within Own Party (Peter Nonnermacher; FRANKFURTER RUNDSCHAU, 30 Jul 79).....	22
---	----

FEDERAL REPUBLIC OF GERMANY

Schmidt, Union Chiefs Discuss Energy, Election (DER SPIEGEL, 6 Aug 79).....	26
Brandt, Schmidt Weigh SPD Personnel Decisions (DER SPIEGEL, 6 Aug 79).....	30
Polish-West German Catholic Reconciliation Action Noted (WIEZ, Jun 79).....	33
Foreign Trade for Early 1979 Analyzed (DIW WOCHENBERICHT, 5 Jul 79).....	34
Economic Developments Viewed, Policy Recommended (DIW WOCHENBERICHT, 28 Jun 79).....	38
Briefs	
No Worldwide Recession	43
1979 Oil Imports Increase	43

FINLAND

Koivisto as the Finnish Ayatollah (Osmo Apunen; DEMARI, 27 Jul 79).....	44
Virolainen Says Being a Spittoon Is No Fun (UUSI SUOMI, 8 Jul 79).....	46
Sundqvist Gives Government Until Autumn To Shape Up (Jukka Vayrynen; DEMARI, 13 Jul 79).....	47
Aikas: Center Won't Enter Another Center-Left Coalition (HELSINGIN SANOMAT, 22 Jul 79).....	50
Pekkala Warns State Finances Not Yet on Firm Basis (Seppo Karanen; UUSI SUOMI, 21 Jul 79).....	52

CONTENTS (Continued)

Page

Delay Foreseen in Starting Up Second Loviisa Reactor (HELSINGIN SANOMAT, 20 Jul 79).....	56
---	----

Finland's Soviet Oil Import Bill To Rise Almost 20 Percent (HELSINGIN SANOMAT, 1 Aug 79).....	58
---	----

Finnish Lumber Exports Reach Record Levels (UUSI SUOMI, 20 Jul 79).....	60
--	----

FRANCE

Causal Analysis of Waning Communist Support in Paris Area (Thierry Pfister; LE MONDE, 20 Jun 79).....	62
---	----

Peace in Corsica Seen Depending on Trial Results (Pascal Delobel; LE FIGARO MAGAZINE, 30 Jun 79).....	68
--	----

Leaders, Objectives of 'New Right' Examined (Claude Sales; LE POINT, 2 Jul 79).....	73
--	----

NETHERLANDS

Hoekstra Addresses CPN CC on Domestic, EEC Policies (Henk Hoekstra; DE WAARHEID, 4 Jul 79).....	80
--	----

New Chiefs of Staff Appointed (NRC HANDELSBLAD, 27 Jul 79).....	92
--	----

Dutch, Saudi Ties Fully Restored (NRC HANDELSBLAD, 23 Jul 79).....	93
---	----

Technical Contacts Between EC, OPEC Interrupted (NRC HANDELSBLAD, 13 Jul 79).....	94
--	----

PORTUGAL

Briefs Cunhal Meets Hungary's Kadar	96
--	----

SPAIN

Paper Sees U.S. Ceding Foreign Policy Initiatives to Europe (Carlos Nadal; LA VANGUARDIA, 12 Aug 79).....	97
---	----

CONTENTS (Continued)

Page

Editorial Comments on Agreement on Basque Statute (Editorial; YA, 18 Jul 79).....	100
CCOO Proposes Revision of Labor Agreements (EL PAIS, 17 Jul 79).....	102
Blas Pinar Comments on Basque Statute (YA, 20 Jul 79).....	103

TURKEY

Briefs

More Saudi Arabian Oil	104
Dogan Mobilizes Against Divisionists	104

SPD DIVIDED ON MODERNIZING NATO ATOMIC WEAPONS

Hamburg DER SPIEGEL in German 6 Aug 79 pp 24-25

Text SPD leaders fear that the stationing of new nuclear weapons on West European soil may arouse serious strife in their party.

At this juncture Foreign Minister Hans-Dietrich Genscher has no doubts concerning the question whether or not NATO should station new nuclear weapons in Western Europe. Last May, at the most recent meeting of NATO foreign ministers in The Hague, the FDP chief proclaimed this: "The firmness of our resolution to carry out this decision can be underlined only by in fact carrying it out."

The foreign minister's bold words were less than welcome to the Social Democrats. Indeed, the SPD leadership fears that the planned modernization of atomic weapons may well cause serious strife within the party. An analysis by Bonn SPD headquarters, for example, forecasts that--at the Berlin party congress to be held next December--the majority will reluctantly endorse Chancellor Helmut Schmidt's nuclear energy policy but, in order to show their anger, argue against the renewal of the nuclear weapons systems.

Egon Bahr, SPD federal executive secretary, said some time ago that the neutron bomb was a "symbol of the perversion of ideas." The ensuing debate, so consider SPD strategists, clearly showed the emotions still lurking beneath the surface whenever the SPD discusses this topic.

The comrades were wondering whether Genscher's unequivocal statement in The Hague was made without any ulterior motive, or whether he consciously distanced himself from the hesitant SPD. After all, Genscher was not subject to any pressure.

At the moment the defense experts are still preoccupied with the question which weapons the alliance should actually acquire in response to the Soviet SS-20 intermediate range ballistic missiles and backfire bombers now aimed at Western Europe. Though the NATO generals consider 400 systems

the absolute minimum, they have not yet been able to agree on the "appropriate weapons mix" (NATO jargon) of aircraft, rockets and cruise missiles.

It is possible, for instance, that a Pershing II rocket with improved range (1,800 km) and accuracy (50 meters dispersion) will be ready for deployment in 1983 and replace the 108 Pershing I missiles now stationed with U.S. forces in Europe. The ground fired cruise missiles, developed by the U.S. firm General Dynamics, will also be available in 1983. Their range is between 2,500-3,500 km, and they are accurate to within 30 meters. The defense experts are still undecided whether additional cruise missiles are to be mounted on warships.

Diplomatic planning also is full of gaps. Initially the alliance had held that the West could entirely forego the introduction of the new weapons provided the Soviet Union were to stop expanding its stocks of SS-20 rockets confronting the West (currently 63 mobile launching ramps with 3 rockets each, each of which in turn carries 3 warheads).

As, however, the Soviets are unlikely to accept such reassurances, the NATO allies are now inclined toward modernization of the NATO arsenal while, at the same time, offering the Kremlin further negotiations on the matter.

"Before such weapons approach Europe," said Defense Minister Hans Apel, "let us try to achieve limitations on the reciprocal potentials." Following a German initiative, a special group was set up--composed of high permanent officials (Bonn's representative is Ambassador Friedrich Ruth)--, which has been asked to prepare for the ministers a negotiating offer on limiting intermediate nuclear missiles to be submitted to the Soviets.

As the Europeans see it, talks with the Russians on limiting intermediate ballistic missiles should begin immediately after ratification of the American-Soviet agreement on the limitation of strategic arms (SALT II), within the scope of a third SALT round. Unfortunately Western diplomats in Brussels are still ignorant of the catalog of topics to be discussed at any SALT III talks.

The brakes are being applied especially by the Americans who are currently preoccupied by the energy and Carter crises. When it was a matter of SALT II they negotiated as one world power with the other and excluded the Europeans who, though kept informed, essentially acted as no more than kibitzers.

With respect to SALT III the European allies want to put their oar in, not merely be consulted. According to a senior German official in Brussels, "this is a totally new ballgame for the Americans who will first have to digest it psychologically."

In these circumstances the mere possibility that such a negotiating package might be ready by the end of this year (as Genscher hoped), seems virtually

excluded at this time, a mere 2 months after the foreign minister made his appeal.

In contrast to his deputy, Federal Chancellor Schmidt seems to have foreseen these difficulties. Consequently he never set firm dates for anything. In early May, talking to American Senator Edmund Muskie, he actually warned against hasty decisions.

Schmidt then said that he had no objections against the modernization of nuclear weapons, but the introduction of new systems with a range threatening Moscow had a totally different political connotation and, in the interest of detente, would have to be coupled with parallel disarmament offers. Nevertheless Social Democrats tend to doubt that the Chancellor's caution will suffice to restrain the SPD party congress delegates in Berlin from adopting a "leave us out of it" decision. According to a SPD executive member: "After all, people must give vent to their feelings in one way or another."

Once again, therefore, SPD strong man Herbert Wehner will have a key role, since the international turmoil was brought about by his remark of last spring, to the effect that Soviet armament was purely defensive.

Actually Wehner is probably quite ready to change course toward the Schmidt line. He seems to be content now that, after the discussion he initiated, NATO is no longer bent on weaponry only but interested also in disarmament. Lately, talking to SPD defense experts, Wehner said that the Federal Republic was certainly obligated to give the alliance its due.

Yet, he went on to say: "At the same time we must take care that all--and I mean all--opportunities for arms control are explored, so that armament and rearmament may not end in a new arms race."

11698
CSO: 3103

CVP MANEUVER TO TOPPLE MARTENS GOVERNMENT

Brussels SPECIAL in French 21 Jun 79 pp 18-21

[Article by Francis Monheim: "Great Anxiety Among the French-Speaking Population"]

[Text] The CVP [Social Christian Party] wants to use the million votes received by Leo Tindemans at the time of the European election to bring down the Martens government and impose its policy of oppression of the French-speaking population. These latter therefore consider themselves rightfully in a defensive posture.

The European elections have often been described on the national level as a contest between celebrities. But it must be admitted that this form of a cult of the personality is somewhat degrading, as are all the others.

There is no democracy without participation. The more a democracy claims to be mature, the more its citizens should have the opportunity to play a direct role in policy decisions. An election is the most direct form of this process: it allows the people to designate the most competent candidate to defend an established program and to endeavor to reach a certain number of decisions. This is precisely where the terms mandate and mandatory come from.

Election-Resignation

When an election is personalized in the extreme--as was the case in the European elections--the democratic process is false. The electoral campaign becomes confused with a popularity contest based on the photogenics--or the telegenics--of a single person, and on several slogans. But a slogan is not a program!

From then on the entire operation consists of creating the impression that Mr So-and-so is a miracle man, that he alone is capable of solving all the problems, that he deserves a carte blanche: in short, there should be resignations in his favor.

Election participation thus becomes election-resignation.

This procedure is verified principally in the Flemish segment of this country where the three presidents of the traditional parties have literally been plebiscited: Leo Tindemans received 983,000 votes, Karel van Miert 302,000 and Willy de Clercq 264,000.

It has been said that these figures are fantastic: We say that they are regrettable. Because they constitute the result of a deceptive maneuver that is extremely antidemocratic. The voters granting the mandate become voting sheep: This is nothing to be pleased about.

And those who believe in the discipline of the vote forget that coercion is incompatible with reflection.

A Record?

It is not surprising then that the champion of this popularity contest is a man who has demonstrated his inability to make decisions and to lead governmental action. We say again: It is not the person of Leo Tindemans which we criticize and we freely grant that he has superior powers of analysis and knowledge of the record. We simply point out his indecision: an indecision which has brought Belgium to the longest and gravest institutional crisis in its history.

Is this man capable of leadership at the European level? No, and this is demonstrated by everything in his past. But a clever and costly campaign intended to create the opposite impression has succeeded in convincing a million people. "It is a record!" rejoice the fans, who carefully abstain from pointing out that never in our entire history have there been electoral districts larger than the arrondissement.

But it is precisely this "record" which concerns us because it shows that with much money (by the way, has the CVP published the figures of the cost of this campaign?) it is possible to influence--if not falsify--the most elemental process of our democracy.

The matter is so serious--as we have already said--that it threatens to cause repercussions in Belgian domestic politics at a crucial time for the country. Leo Tindemans has already let it be known that he will not maneuver to attain the presidency of the new European assembly because he wants to remain entirely "available." And when he is asked if his electoral "triumph" does not threaten to place Wilfried Martens in a difficult position, he replies that this is a question which must be asked of the current prime minister...

A Catastrophe

This attitude resembles and confirms the thesis by which the leaders of the CVP decided to bring down the government on the eve of the holidays,

thus preventing the coalition from bringing about the governmental reform defined by its founder Paul Vanden Boeynants and revived by the government's declaration. The CVP could then advance other propositions on institutional matters--in the sense of unitarianism which they seem to have rediscovered--and could impose a Tindemans III government through the quasi-absolute majority which they now hold in Flanders...

It is necessary to say that the French speaking population will never accept this maneuver which implies their ultimate minority status? The country would then find itself confronting a new crisis, longer and more formidable than that caused by Leo Tindemans last October. A crisis which would paralyze all the efforts toward economic reform (in a society such as our political health controls everything whether we like it or not) and which would dangerously threaten our international credibility (particularly as it concerns monetary affairs).

In short, the European events which we have just experienced threaten to cause a national catastrophe...

Why These Setbacks?

In any event that is the opinion of the French speaking population, where they are more concerned that the parties of the coalition (the PS [Socialist Party], the PSC [Social-Christian Party] and the FDF [Free Democratic Federalist Party]) have experienced an electoral setback, while the opposition parties (the RW and the PRL [Party of Liberty and Reform]) have advanced.

No one wants to see in this phenomenon a disavowal of the policies of the present government. But, besides the fact that these policies appear to us to be the only ones realistic and possible, it seems to us that this interpretation is faulty.

The three government parties have withdrawn slightly, but why?

For the PS the explanation is clear. The PS has taken calculated risks in voluntarily renouncing the popularity contest, desiring instead a sober and dignified campaign focusing on the real problems--necessarily difficult and unpleasant--of Europe. Under these conditions the PS should lose votes, but fortunately did not lose seats: it won the four mandates which preserved for it the electoral arithmetic based on the legislative results of last December. It appears that the loss of votes does not indicate a disapproval of the current governmental policies: It simply shows the price that the PS has agreed to pay to have its electoral policies conform to its principles.

As for the losses of the PSC, we attribute them to two elements which have nothing to do with the judgment of the electorate on the actions of the government.

The campaign of the PSC was personalized but without a doubt its leading figures were poorly chosen. Many voters had to ask themselves what Charles-Ferdinand Nothomb was going to do in this European effort when he already occupies a seat in the Chamber of Deputies. Opinion is generally against holding more than one position, and this feeling is valid. Also, the presence of Victor Michel in the second place was entirely due to the internal situation which prevailed in the party, and here also the voters were able to reject this combination.

Because the second explanation for the PSC losses doubtless lies in the internal dissensions within the party. By dint of wanting to "occupy the entire political field"--according to Mr Nothomb--the PSC found itself divided into groups which have a cordial hatred for each other. Christian democrats on one side, Cépici on the other, engage in a struggle without mercy or diversion.

Angered over not having one of their own in an official position, the right wing of the PSC--embodied in Cépici--conducted a campaign for the candidate of another party. That is the partial explanation for the victory of the liberal candidate Luc Beyer, a newcomer in politics but who received as many votes as the president of the chamber himself (103,647 votes compared with 105,403).

The FDF lost votes in its Brussels area, but here again an explanation is valid. The body of FDF voters is far from being homogenous: There are as many conservatives here as progressives; as many blues as reds. Now if some were delighted to find, behind Mrs Spaak, the two directors of the Walloon group--Paul-Henry Gendebien and Henri Mordant--others were unwilling to give their votes to "dangerous leftists." After that there remained one choice: give a "French speaking and right wing" vote to Luc Beyer. Conclusion: as for the PS, the PSC or the FDF, the results of the European elections can not be interpreted as a rejection of the government.

However, the clear success of Tindemans could constitute a menace for the same government, and particularly for Prime Minister Wilfried Martens. And this success is not the only one. Other successes must be noted--particularly in the CVP--such as that of Jan Verroken and Eric Van Rompuy.

Verroken occupied the last place on the CVP list but was elected thanks to 40,000 votes which he collected. Evidently this success of the most Flemish of the Flemish social-christian constitutes an indication. The president of CVP-Youth, Eric Van Rompuy was a first time candidate. The fact that he was up for the first time did not prevent him from carrying off 64,000 votes. Now the discipline of Leo Tindemans also has a reputation for intolerance and extremism (at least in linguistic matters).

The global success of the CVP is infected then with intransigence. And the French-speaking citizens of Brussels who have unwisely voted for Leo Tindemans should regret it.

The main worry of the French-speaking population is--in fact--returning to a unitarian state dominated by Flanders, which in its turn is dominated by the CVP. And the CVP is dominated by its Flemish wing.

That the French-speaking citizens of Flanders have recently taken advantage of their economic and social privileges does not in the least justify this threat. In spite of the imbecilic arrogance with which certain French-speaking citizens of Brussels still treat the Flemish residents of the capital.

The errors of one side cannot excuse the errors of the other, especially since it is the job of the Parliament--the houses are so authorized--to modify radically and for a very long time, without any doubt, the structure of the state.

The Strategy of the CVP

Now the strategy of the Flemish wing of the CVP is clear: thoroughly exploit the reservations formulated by the Council of Government concerning regionalization in its present form; discredit Prime Minister Wilfried Martens; replace the latter by Leo Tindemans; resume community negotiations and impose therein the point of view of the "hard ones" of the CVP. The opponents of Wilfried Martens do not hesitate to deliver low blows. For proof of this, it is enough to read the editorials of their paper DE NIEUWE. They call the prime minister a "weather vane" and they accuse King Baudouin, Cools, Spaak and Van Miert of placing their trust in Wilfried Martens "under pressure mainly from Mr Vanden Boeynants, spokesman for the U.S. and West German military interests." Conclusion by DE NIEUWE: "The Martens government is virtually condemned and the only important question is to know when it will resign. It is not important if he is permitted to continue for awhile as if Belgium had a government. But do not permit him to make another single decision."

Before such cynicism and deceit the French-speaking presidents of the majority rebel with vigor.

"It is necessary that all the parties of the coalition respect the governmental accord to the end," affirmed Andre Cools, who has frequently declared his respect for Wilfried Martens and repeated with all the force of his conviction, "The existing government is our last chance; it must continue to the completion of its mission."

As for Antoinette Spaak, she calls the CVP maneuver intended to put Leo Tindemans back in office, "the embezzlement of votes."

At the time of the creation of the French-speaking front last November Andre Cools declared, "The Walloons and Brussels are in a legitimate state of defense."

Events have proven him correct: The CVP of Tindemans is more aggressive than ever. The leader has had himself plebiscited. Or, as Antoinette Spaak amusingly put it, "It is always very difficult to be victorious and reasonable at the same time."

The whole story is there. The great anxiety of the French-speaking population is explained by the irrationality of the CVP. Not only that of the party leadership, but also of its electorate.

But these anxieties are salutary: they provoke a reaction of defense, solidarity and resistance.

It is unfortunate that it has come to this. Alas, the million votes received by Leo Tindemans alerts us to vigilance. They prove that even as advanced a democracy as ours is not immune to unexpected hazards.

9287

CSO: 3100

FDF'S ANTOINETTE SPAAK INTERVIEWED

Brussels SPECIAL in French 21 Jun 79 p 20

[Text] "Madame, you are president of the FDF [Free Democratic Federalist Party] and a member of the House of Representatives; you will soon become a deputy in the European assembly. Do you not think that is very much... for one man?"

Jules Gerard-Libois, director general of Crisp, asked this question of Mrs Antoinette Spaak the other day during a televised debate.

Mrs Spaak replied, "Perhaps it is not too much for one woman."

This style at once smiling and pointed characterizes the lady who could be called "the first lady of Belgian politics." From her father Paul-Henri Spaak she inherited the brilliant eloquence and intuition which makes great political personalities. To this she adds a very penetrating charm and that ease of life which belongs only to ladies.

Is it because of filial loyalty that she joined the FDF in 1974? (The great socialist Paul-Henri Spaak supported the federalist party of Brussels to the end of his life.) Her advancement in the ranks of the party of Andre Lagasse and Lucien Outers was rapid. She was the deputy from Brussels hardly 2 months after joining the party, and became president of the party in 1977, at the same time as the FDF entered the government.

Concerning her public activity, superficial souls will perhaps remember above all the decree which she drew up for the defense of the French language. But it is in her role as head of the party that Mrs Spaak has become prominent. During the interminable negotiations which have marked the fall of the Tindemans government and which produced the Martens team, Mrs Spaak has demonstrated much firmness and tactical skill while she succeeded in showing the voters a less austere and less grim countenance of the party.

Elected to the European assembly, she will not ask for a renewal of her presidential mandate. This lady, who has waited until her children were

grown up before entering politics has not always wanted to assume--but with what conviction--more than one role at a time. Antoinette Spaak will dedicate all her forces to this new parliament and those who know her shining dynamism know that she can accomplish great things in the limited but essential field of the development of regions.

Furthermore, one can believe that the career of Mrs Spaak will not stop there. And some people dream of seeing her one day at the head of a crusade which will lead the progressives of FDP into the bosom of the Socialist Party. Good breeding will assert itself.

9287

CSO: 3100

ABELAG AIRWAYS FORMED, BEGINS OPERATIONS

Paris AVIATION MAGAZINE INTERNATIONAL in French 15-31 May 79 p 13

[Article by Pierre Sparaco]

[Text] In Belgium, the private sector displays a persevering interest in the air transport sector. Nevertheless it is difficult to achieve concretely its ambitions: Sabena, the national company, guards jealously the legal monopoly of the regular lines, including those of the third level and all the attempts to ease the conditions of interpretation have ended in failures.

This situation is sufficient to explain why all hopes are placed in the charter sector. The temptation is greater, since the generalization of the "IT" formulas (Inclusive Tours) is causing an extraordinary development of the market. Every year, hundreds of thousands of Belgians, forsaking surface routes, go in search of the sun aboard chartered flights. Moreover, freightage offers profitable prospects, since the demand, though irregular, is continuing to increase considerably.

In recent years, Belgium has witnessed the birth of several charter companies. Some of them have been successful, the finest example remaining that of Trans European Airways, equipped today with a modern fleet (including two A-300) and whose tourist traffic surpasses that of Sobelair, Sabena's specialized subsidiary. Others, such as Young Cargo specialize in freightage, but have met with serious difficulties.

In this changeable context, the somewhat unexpected creation of Abelag Airways represents a major event, even a dramatic one. Indeed the three companies which are behind this initiative have great names in Belgian aviation and tourism: Sun International (Sunair), one of the principal tour operators, Abelag Aviation, leading company of general Belgian aviation and Belgavia, specializing in ground assistance and flight supplies.

These three companies avail jointly of closely complementary areas of specialization, from both technical and commercial viewpoints, and their

financial means may be described as solid. Furthermore, and this is a remarkable event, this gives a tour operator an opportunity to have a share in the capital of a charter company, and what is more, a majority share (actually Sunair may be responsible for nearly 60 percent of the registered capital of Abelag Airways).

This newcomer is beginning its operations this very month after a period of long, prudent and especially, very discreet work. Its first aircraft is a B-707-320C, and it seems to admit of no doubts that it will soon be followed by other aircraft, probably, B-737. Its ambitions are undoubtedly great, and may rapidly extend beyond the Belgian frontiers.

Abelag Airways illustrates in a great measure the type of initiative which lies within the reach of the Belgian private sector in the area of air transport. It is nonetheless desirable that possible competitors should display realism, otherwise it may give rise to disorder detrimental to all the parties concerned. Other Belgian charter companies are being planned or on paper. Some of them, which have original commercial goals, certainly are worth setting up. But the time when the supply created the demand is practically over. It is better to acknowledge this immediately. This will prevent bitter disappointments.

9018

CSO: 3100

CONVERSION TO F-16'S UNDERWAY

Paris AVIATION MAGAZINE INTERNATIONAL in French 15-31 Jul 79 pp 24, 25, 27

[Article by Pierre Sparaco]

[Text] The Belgian military aviation is now passing through a phase of deep change. Actually, the training aircraft Magister and T-33 are being simultaneously replaced by the Alpha-Jet, while the General Dynamics F-16 is starting to take the place of the F-104G Starfighter units. In both these cases, the new aircraft permits the air force to reach a decisive stage as regards operational efficiency. But they are also airplanes which have had no operational experience, even in their country of origin.

Considerable efforts should be deployed to this effect by comparatively small teams. Life at the bases concerned is normal but with the drawbacks entailed by a double logistic support chain and inadequate personnel. Indeed at any time the technicians may be absent because they are undergoing courses for training and conversion of the new equipment.

It is not only at this purely practical level that problems arise. Lt Gen Marcel De Smet, chief of staff, explains that: "We are passing through very difficult times, as regards budget, we often perform acrobatic feats at very low altitude to make ends meet."

It was in January that the first F-16 was delivered officially, and since then, four other aircraft have been added to this first airplane at Beauchevain, the first base to enter this new age. The first flights were performed at the end of the same month, and at the time of our visit, the 100 flight level had already been exceeded long ago.

And yet, during the first weeks of the year, the utilization was not particularly intensive, since this period could be at most devoted to completing the training of the four instructors who had undergone shortly before that an American conversion course at Edwards Air Force Base in California. Properly speaking, the first conversion operation was started on 2 July on the basis of what is conventionally known as a prototype course.

With only six students, the object was to verify rapidly but realistically the training program and the conversion procedures. By September, a new stage will be reached with the beginning of conversion of six more pilots, chosen among the personnel of the Squadron No 349.

The air force has established a conversion procedure which covers about 50 hours of flight. All the pilots must have completed at least 650 hours of flight before being transferred to the F-16, but it is provided that those who have completed less than 1,000 hours will carry out 15 additional flights in two-seater units and 10 in single-seater units, before they are considered operational.

The entire Squadron No 349 will have completed the transition by the end of spring 1980, and will receive in September and October its firing qualifications on the occasion of a campaign at Solenzara. It will then be reassigned to NATO in November. Meanwhile the conversion of the Squadron No 250 will have already started and will be over by mid-1981. At that time, the last F-104G will finally leave Beaufort for the Comox fleet, while a similar conversion procedure will begin for the two squadrons of the Kleine Brogel base.

High Availability

It would naturally be premature to make any operational judgment on the F-16, since the experience acquired so far by the Beaufort base is still very limited. Nonetheless, the first impressions show definite interest. Colonel De Clerck, commander of the first all-weather fighter wing, qualifies as satisfactory the availability of the first aircraft.

The breakdowns have been relatively few, and involved more the mechanical systems (braking circuit, starter) and electrical systems (cabling, frequency converter) than the electronics. There were only two minor engine disorders (replacement of two joints) which is considered remarkable. The first 50 hour inspections proved to be a little longer than expected, but in this case too, it would be premature to attempt a judgment, the more so since the technical documentation was still incomplete and certain test equipment had not yet been delivered.

As was to be expected, the first comments by the Belgian pilots in respect of the maneuverability of the F-16 are appreciative. The aircraft's responses are extremely rapid, and during all the evolutions, it is possible to concentrate solely on the objective and maneuver up to the maximum angle of attack, an automatic system, which prevents the structural limits of the aircraft from being surpassed (9 g).

Satisfaction is also found (and this comes as no surprise considering the excellent visibility and the display system for the data). For the air to ground missions, the first impressions are also positive on the whole and in both cases, the radius of action is evaluated as considerable. One will

obviously have to show patience until it is possible to establish a first more complete operational evaluation, covering a more considerable experience.

The air force is undoubtedly living through an interesting experience. And the authorities like to emphasize that its first F-16 was delivered to it barely 3 weeks after the first USAF aircraft. On the ground, it is also a "first" for Belgium, and indeed, one with heavy responsibilities.

9018

CSO: 3100

'LIGHT AVIATION' CELEBRATES 25TH ANNIVERSARY

Paris AVIATION MAGAZINE INTERNATIONAL in French 15-31 Jul 79 p 27

[Article by Pierre Sparaco]

[Text] The Light Aviation of the Belgian Ground Force is celebrating this year its 25th anniversary. The "Light Aviation," as it is called most often in Belgium, started at the time of the first babblings of the Belgian Air Force: It is at the present operational base, Brasschaat, not far from Anvers, that the "Compagnie aeronautique" [Aeronautical Company], as it was then called was established in April 1913.

Exactly a quarter of a century ago, it left the protection of the air force to become a unit of the ground force. Its basic mission today is to facilitate and expedite command, with a fleet of Alouette II units (of which about half are based in Federal Germany) and a dozen Britten-Norman "Islanders."

Meanwhile, the Belgian Light Aviation is bound by an agreement for technical collaboration with the constabulary, to which it supplies pilots and officers, for the Belgian policemen's own fleet: 5 "Alouette" and 3 "Puma" units. Additional flight equipment may also be placed at the disposal of the constabulary when warranted by the circumstances. This happens for example for the surveillance of the road network at the time of the long weekends of tourist travel.

The Belgian public is not well acquainted with the Light Aviation, which may be explained essentially by the discreet and apparently hardly spectacular nature of the missions assigned to it. However, there is one exception: the "Blue Bees," an acrobatic patrol on the "Alouette," which often draws the attention of all those attending the large air shows. Created in 1971, this patrol makes the best possible use of a formula which is both original and bold. Flying in close formation on helicopters is no easy job and the end of the rotors remain very close in most of the figures.

In a few years' time, and without the budget prospects permitting the immediate preparation of a specific work schedule, the "Alouette" units will give way to an aircraft of a new generation. This market of close to a hundred helicopters is already drawing the covetous glances of most of the builders of rotating center sections. The more so since more than one third of the market, at least, should cover antitank helicopters.

In the meantime, the Light Aviation is quietly blowing out its birthday candles.

9018

CSG: 3100

A 'YES' ON REFERENDUM MIGHT COST MONTREAL 150,000 JOBS

Montreal LA PRESSE in French 28 Jun 79 p B 1

[Article by Alain Dubuc: "A Loss of 150,000 Jobs Anticipated"]

[Excerpts] The Montreal area might lose 70,000 main office jobs and 81,000 other jobs if the Quebec Party is victorious and associate sovereignty is established.

These are at least alarming preliminary results evolved by the Positive Action Committee, a businessmen's organization active in the defense of Canada, which has initiated a study of the thorny question of main offices.

Through a poll of a sampling of enterprises of various sizes in metropolitan Montreal the most remarkable part of the study consisted in asking businessmen about the effect on the number of persons in their employ of five hypotheses on the constitutional future of Quebec--from a clear federalist victory to independence without economic association with the rest of Canada.

Even though the study has been conducted by an organization of political nature dedicated to the defense of federalism and whose motives are unscientific the methodological strictness of the investigation was still guaranteed by the cooperation of CROP, possibly the most prestigious of the Quebec polling firms, which somehow has provided it with the stamp of quality. Businessmen were asked to rate the probability of the five following hypotheses, and to indicate the net number of jobs to be affected either at their main office or in other branches of their enterprise.

Hypothesis 1. Conclusive defeat of the referendum, massive election of a federalist party, repeal of Law # 101.

Hypothesis 2. Defeat of the referendum, election of a federalist party, amendment of Law # 101.

Hypothesis 3. Low-majority defeat of the referendum, political status quo.

Hypothesis 4. Victory of the referendum, associate sovereignty.

Hypothesis 5. Victory of the referendum with secession, customs barrier.

As shown in the following table the first two hypotheses--assuming an improvement in the environmental conditions of enterprises--would induce businessmen to create jobs in Montreal.

According to the queried businessmen reversion to the past--constitutional, fiscal and linguistic--would permit the creation of 40,235 jobs in the queried enterprises.

In contrast a moderate defeat of the referendum, accompanied by no language change and by the taxation of officials, i.e., in broad terms, status quo, will cause the loss of 17,461 jobs in main offices and 14,672 other regular jobs. In particular this hypothesis appears to correspond to other results such as those arrived at by the economist Fernand Martin or by the Employers' Council in connection with the possibility of an extension of the present situation.

On the other hand associate sovereignty would result in the loss of 152,211 regular jobs, and the highly improbable possibility of total separation would cause the massive elimination of 215,080 jobs.

The main office type jobs specified in the study relate to an area larger than the province and are mobile. For example an enterprise whose main office is not located in Quebec may provide there main office jobs (some management offices, etc.), and in contrast a firm whose main office is located in Quebec may have several main office jobs outside Quebec.

Besides, these estimates do not take into account the multiplying effect, i.e., additional job losses, caused in other sectors affected by the removal of main offices.

However, these figures must be interpreted with caution. They are not scientific predictions, but the affirmations of businessmen, based on hypothetical developments. As such they are necessarily affected by a degree of emotion and imprecision. Especially in an anonymous questionnaire it is more difficult to affirm one's departure than actually to depart. In some way the greater the plausibility of the hypothesis the greater the chance of obtaining precise figures. Therefore the most alarming figures, such as that of 215,080 lost jobs in case of total separation, are close to political fiction. Nevertheless Michel Saykaly, CROP research manager and vice president, who participated in the study, stated to LA PRESSE that these data crosscheck those of other similar studies of the question, especially those conducted by Quebec Minister Claude Morin.

The study was conducted in two steps. First, the Positive Action Committee sent questionnaires to 2,077 enterprises classified on the basis of size. But the low proportion of responses, especially in the case of enterprises

employing less than 200 persons, induced the Committee to call upon CROP which conducted personal interviews.

According to Mr Saykali, however, the two steps of the study provide similar results permitting their integration.

JOB LOSSES, BASED ON DIFFERENT POLITICAL DEVELOPMENTS

Hypothesis	Probability According to Businessmen	Main-office Type Job Gain or Loss	Total
1. Massive defeat of referendum	13.2%	+9,710	+40,235
2. Defeat of referendum	35.1%	+7,021	+28,084
3. Narrow margin defeat of referendum	35.2%	-17,461	-32,133
4. Associate sovereignty	14.3%	-70,616	-152,211
5. Secession with customs barrier	4.1%	-83,735	-215,080

9456

CSO: 3100

GLISTRUP INCREASINGLY ISOLATED WITHIN OWN PARTY

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 30 Jul 79 p 13

[Commentary by Peter Nonnenmacher (Stockholm): "The Rightist Friends of Mogens Glistrup--Denmark's Tax Protest Party Is Disintegrating"]

[Text] In December it will be 6 years since Mogens Glistrup and his "Progressive Party" entered the Danish parliament and proclaimed "new times." What the established Danish parties were never able to do in these 6 years--namely to break the influence of the notorious "tax rebel" and rightist of Danish politics--, Glistrup's party now seems to be doing for them: "The Progressive Party's dance of death has begun," said a Glistrup follower resignedly, characterizing the situation of the powerful protest movement.

The grave crisis of the party was triggered by the candidacy of the foreign policy spokesman of the Progressive Party's parliamentary fraction, Joergen Junior, for the European Parliament. During his election campaign, Junior had dissociated himself from Glistrup's radical position and--with reference to the unloved chairman--had canvassed votes with the slogan: "If you don't like the senior, give your vote to Junior."

After the EC elections, the party leadership promptly struck the young rebel from the slate for the next parliamentary elections; incidentally, this was done in the absence of Glistrup, who happened to be in the United States, attending an anti-tax congress. Upon his return, Glistrup was quick to approve the harsh punitive measures against Junior: He cheerfully stated that Junior was as unqualified to conduct an election campaign as he--Glistrup--was to play Chopin. He also considered the "Junior case" to be over and done with.

In the meantime, however, the party's parliamentary fraction had taken a stand against the party leadership: With 15 votes to 3, the deputies backed Junior, calling his removal from the slate an "imprudent as well as superfluous" decision.

Split Predicted

The following day, Danish journalists reported that Glistrup had been harshly criticized at the fraction meeting. According to these reports, there had been a great deal of talk about abuse of power, manipulation and dictatorship and one of the fraction members had even intimated that in his opinion Glistrup was slowly moving "in a psychopathic direction." Mogens Voigt, a member of the Glistrup camp, foretold the possibility of a party split--but Glistrup himself appeared to be as unmoved as ever. He said coolly that all this bickering over personnel changes was totally insignificant and "of no consequence whatsoever."

Probably it is not all that insignificant, for in the Progressive Party there is increasing dissatisfaction about the isolation into which Glistrup has maneuvered the movement: Although the party's parliamentary fraction is the second largest--next to the Social Democrats--in the hopelessly fragmented parliament, none of the other parties wants to make common cause with Glistrup. Glistrup's demands (Total abolition of the income tax, dismantling of the welfare state, dismissal of half of the civil servants and public service employees) and his petit-bourgeois strong-man slogans have met with just as much opposition on the part of potential coalition partners in the bourgeois camp as the legal proceedings in which the propagandist of organized tax evasion is continuously involved. After all, who wants to share the government bench with a (putative) law breaker?

In addition, Glistrup has provoked pronounced displeasure in the ranks of his own party by his increasing commitment to the rightist daily DANSKE TIDENDE. The fascistoid paper, which also is hostile toward the foreign guest workers ("a dismal and sinister shoot on the Danish press tree," as a politician of the progressive camp regretfully put it), is owned by Erik Haaest and is prepared to provide a forum for Glistrup's attacks on the welfare state, and Denmark's great tax musclemen makes ample use of it as a counterplatform vis-a-vis the critical voices of the distinguished-conservative, liberal and leftist papers of the country that are not very well disposed toward him.

"I find it very upsetting that Glistrup publishes articles in DANSKE TIDENDE and I have repeatedly told him so," says no less a person than the chairman of the Progressive Party's parliamentary fraction, Ove Jensen, who is not quite at ease about Glistrup's doings. "But of course in this country we enjoy freedom of the press and liberty of speech..."

Copenhagen's communist daily LAND OG FOLK recently disclosed what dubious elements Glistrup keeps company with in pursuit of his political ambitions. According to the paper's report--which has meanwhile been confirmed by Glistrup's office--, the leader of the Danish progressive movement is going to participate--as guest of honor of the "World League Against Communism"--in an anniversary conference of this organization, which will take place

from 19 to 24 July in Taiwan. At this conference, at which Glistrup is to deliver an address as the "official representative of Europe," delegations of neo-fascist groups from the United States, the Federal Republic, Norway and Sweden will be present as well.

Prior to the conference, Glistrup is going to go to London, where he will be engaging in talks with representatives of Great Britain's racist "National Front." In boldface, the liberal daily POLITIKEN informed its readers of the choice news: "Glistrup is meeting with leading fascists." Sarcastically, the paper added that the second act of the "tragicomedy Mogens Glistrup" should be quite interesting.

In fact, the Glistrup case had never been an unadulterated comedy, as many an observer could have assumed 6 years ago--even though the Danish tax circus director liked and still likes to take off his tuxedo and play the role of the national clown.

Resentment Against the Establishment

That Glistrup had touched a sore spot and that his movement had to be taken seriously was shown during the 1973 parliamentary elections, when the Progressive Party--1 year after its establishment--obtained at the first attempt 16 percent of the vote and 28 seats; an achievement it almost equalled in the elections of 1975 and 1977. With his resentment against the clique of the "haves" and his ideal of a Denmark free from taxation and bureaucracy, Glistrup appealed to those members of the Danish middle class, in whose opinion the welfare state had grown too big already and who were no longer willing to support through their taxes the socially disadvantaged (the wage earners) and the economically strongest (big industry).

Glistrup was the spark which in 1972 set ablaze the pent-up petit-bourgeois protest potential and which to half a million Danish retailers, farmers, self-employed individuals and formerly self-employed workers (persons "come down in the world") appeared to be the radical turning point--the salvation for those in the top income brackets as well as for those struggling for survival.

As is shown by analyses of the Progressive Party's constituency, the fact that Denmark--in contrast to Sweden or the Federal Republic--still has a relatively large number of small enterprises and a comparatively strong petit bourgeoisie, but a rather "young" class of employers (who for the most part come from petit-bourgeois families and who are not that well organized) probably was an important factor contributing to Glistrup's success.

Against the Welfare State

From the beginning, Glistrup's political campaign went far beyond the demand for disentanglement of the taxation system--the demand for increased transparency and justice, which in Hermann Fredersdorf's "Citizens' Party" is

still very much in the foreground. Right away, Glistrup wanted (and still wants) to eradicate the evil of direct taxation, send half of the public service employees back to "productive work" in industry, abolish state health care and the old-age pension system, and replace the welfare state by private initiative and "individual performance."

In contrast to Fredersdorf (the former SPD member), Glistrup stands for a totally anti-welfare trend which in the course of the following years-- that is in the course of the aggravation of the economic recession since 1973/74-- increasingly revealed its character of a reaction to the democratization process of the 1960's.

To be sure, Glistrup's most outspoken opponents, the Danish Social Democrats and Socialists, suspected from the beginning that the ultraliberal veneer of Glistrup's program ("let the state go back to its night watchman's job") could well conceal fascist sentiments. The latest tricks of the "tax rebel" appear to prove them right. Since his opposition to the trade unions and to socialism led him to engage in international cooperation with neofascists, the beautiful look of Glistrup's "progressive" position--high above all the "outdated" conflicts of interest (left vs. right)--is gone for good. Whether the movement he started will survive the radicalization of its leader or founder on account of it, remains to be seen--possibly as early as September, when the Progressive Party holds its congress.

8760

CSO: 3103

SCHMIDT, UNION CHIEFS DISCUSS ENERGY, ELECTION

Hamburg DER SPIEGEL in German 6 Aug 79 pp 19-21

[Article: "Chancellor Schmidt: Courting the German Labor Union Federation"]

[Text] Discreetly as well as urgently, Federal Chancellor Schmidt invited the leading labor leaders to an exchange of views. The head of the government secured the assistance by the trade unions, which intend to support his energy policy and--through moderate wage agreements--reduce the risk of inflation: Backing for the election campaign against Strauss.

Unexpectedly, the vacationer Helmut Schmidt appeared last Monday afternoon at the SPD executive board meeting. Party leader Willy Brandt, his deputy Hans Koschnick, and the few leading comrades who had not yet gone on vacation did not quite understand why the chancellor had made it a point to fly to Bonn and attend this routine meeting.

Not even to his colleagues on the executive board, the highest leadership body of the party, did Schmidt reveal the true reason: He came from a secret 3-hour meeting with the most important trade union leaders of the republic.

The host's invitation to the goodwill dinner in the Chancellor's Office had been so insistent that Heinz Oskar Vetter, the head of the DGB [German Labor Union Federation], Alois Pfeiffer, Vetter's executive board colleague who is in charge of economic policy, and Karl Hauenschild, the chairman of the Chemical Workers Union, put off the start of their vacations for another day. Heinz Kluncker, the OeTV [Public Service, Transportation and Communications Labor Union] boss, was even transported by plane and helicopter from his mobile home on the Yugoslav vacation island of Hvar to the Federal Republic. The only one still doing his regular work was the head of the Construction Workers Union, Rudolf Sperner.

Eugen Loderer, the leader of the powerful Metalworkers Union, had to decline the invitation; he had to keep an urgent doctor's appointment--and deputies were not welcome at the dinner.

For several reasons, Schmidt considered utmost discretion imperative. By no means did he want to bear out the CDU/CSU's accusation that the trade unions were performing fetch-and-carry services for the ruling SPD. Above all, Schmidt wanted to avoid the impression of a crisis meeting used by an insecure chancellor for soliciting the support of the trade unions in his struggle against the growing danger of inflation, against intensified labor conflicts and threatening energy crises.

As is always the case, when Helmut Schmidt invites friends to dinner, he determined the discussion topics and the agenda. As is always the case, when he seeks advice, he was the one who talked the most. "At the beginning, there was a global review ranging from Tokyo and the pope to SALT," recalled a participant.

And as is always the case on such occasions, the chancellor offered news which his guests--in addition to the labor leaders, the ministers Hans Matthöfer (finance), Herbert Ehrenberg (labor), and Hans-Jürgen Wischniewski (Chancellor's Office) were present--had in this form not yet read in the newspapers. Schmidt told them that during his recent visit to the Vatican he had talked at length with the pope about Catholicism's social doctrine and had learned that the Holy Father did not by any means consider the German variant of Catholic social doctrine the only true teaching, but that it was only one among many others.

The socialist also offered a nice explanation for his spectacular flirtation with American supercapitalists of Republican persuasion in California: He had tried to win the hawks' support for the peace policy in general and for Jimmy Carter's SALT II Agreement in particular.

Schmidt then got down to business. He said he was very concerned about the fact that of all countries it was the Federal Republic--which in the last few months had posed as a global warner, calling for a more economical use of energy--that was not able to keep the promises made at the Tokyo economic summit meeting. Schmidt's confidant, State Press Secretary Klaus Boelling, knows that Schmidt takes this very seriously: "This is the acid test--the chancellor's credibility as a participant of the summit meeting must not be called in question."

For in Tokyo Schmidt had urged that the leading industrial nations markedly reduce their oil consumption and freeze their expensive imports from the OPEC states at the 1978 level (United States: 1977). In the meantime, however, Schmidt learned that the United States, whom he likes to accuse of being wasteful, have managed in the first 5 months of this year to cut their gasoline and fuel oil consumption by almost 2 percent, while leading

industrial nations such as the Federal Republic and Japan consume more than before. To change that "will be the most difficult act of the next 4 months," anxiously prophesied Hauenschild, the head of the Chemical Workers Union.

"How will we be able to keep the promises we made at the Tokyo summit and to reduce our imports?" Schmidt asked the group. But the men of the construction trade, the chemical industry, the public service and the DGB parent organization did not have any ready solutions.

Hauenschild again submitted his evergreen proposal concerning reduced speeds on the superhighways--not to achieve great savings, but to give a signal. The group discussed the possibility of prohibiting oil heating systems in those cases where houses are connected to the natural gas network or where a gas heating system could be installed. And the gentlemen's club calculated that the state-decreed retooling of the existing oil-burning power plants to coal-powered operation had already resulted in considerable savings.

But when a participant skeptically asked whether Otto Count Lambdorff, the Free-Democratic minister of economics, would put up with such regimentation by the state, Schmidt agreed with the doubters: Without the Count, nothing could be done.

As a precaution, Schmidt warned against further interference maneuvers on the part of the liberal: The union leaders should not delude themselves and expect the planned income cut to benefit exclusively the workers. Schmidt said he was reasonably sure that the liberal Lambdorff would in a swap transaction try to secure a sizable share for his middle-class constituency.

But in the end--after over 2 hours of discussion--the great effort appeared to pay off for the chancellor after all. Despite the fact that the outlook for the workers was rather gloomy, the labor functionaries promised to back the chancellor in the coming election campaign. They will continue to try to resist the demand of the rank and file for additional wage increases, since they realize that they are not allowed fully to recover through wage increases the workers' increased expenses resulting from higher fuel oil and gasoline prices.

For compensation, the labor leaders insisted that the socially disadvantaged be adequately subsidized by the state, to make up at least for that part of the price increase which goes to the oil sheiks; as for the extra profits of the multinational oil companies, it was the government's job to prevent this and not to finance them with public funds.

For the time being, the most important present that Schmidt can take along on his sailing vacation at the Brahmssee [Brahm Lake] is the trade unions' consent to his nuclear policy. All of his guests agreed with him in that they were not prepared to give up nuclear energy altogether. Rather, the labor leaders want to make sure that at the Berlin SPD Congress, at which a

confrontation between opponents and advocates of nuclear energy is expected, Helmut Schmidt can count on the unanimous support of the trade union-oriented delegates. "If that comes to pass," calculated a leading comrade, "he will win, 70 to 30."

Apart from this promise, however, the chancellor is not likely to see anything positive, when at the Brahmsee he ponders the situation at home and abroad.

He does not know by how much the employers will raise the prices, nor can he foretell the unemployment rate for 1980; least of all can he calculate the price at which the OPEC countries and the multinational oil companies will in the winter sell their oil--to a Western industrial society whose foremost power, the United States, is in his opinion just drifting along without providing any leadership.

According to government plans, the chancellor will at the beginning of September inform the Federal citizens of the results of the summer-time brainstorming--as a supplement to the last government communique. But perhaps he will continue his previous practice and merely send a sagacious memorandum to a few select recipients.

8760

CSO: 3103

BRANDT, SCHMIDT WEIGH SPD PERSONNEL DECISIONS

Hamburg DER SPIEGEL in German 6 Aug 79 pp 23-24

Text State Secretary Hans-Juergen Wischniewski has been designated by Chancellor Helmut Schmidt to direct the SPD's 1980 election campaign--a clear affront to federal executive secretary Bahr.

The occasion seemed favorable--those directly affected were all absent.

Immediately after the SPD presidium's meeting last Monday--missed, due to vacations, by such important members as federal executive secretary Egon Bahr, Baden-Wuerttemberg Land chairman Erhard Eppler and Bundestag majority leader Herbert Wehner--party chief Willy Brandt received his first deputy, Federal Chancellor Helmut Schmidt. Before they went on vacations the two top comrades were intent on quickly settling a delicate problem: The succession to second SPD deputy chairman Hans Koschnick, known to be keen on leaving office.

Though the party executive had tacitly agreed to postpone a decision until September, Brandt and Schmidt felt strong enough to just about settle the matter there and then: Hans Wischniewski, currently state secretary at the Chancellery, is to become deputy chairman alongside Helmut Schmidt. The two men agreed to allow discussion in the presidium only in case Anke Fuchs, state secretary for social affairs and the nominee of the SPD women members, were categorically to refuse relinquishing her candidacy.

Helmut Schmidt was the initiator of the surprise foray. He has long favored Wischniewski for the post of deputy in Bonn SPD headquarters. True, the chancellor values the tireless and experienced politician as his liaison to the Social Democrat Bundestag party and the labor unions. But he hopes for even greater advantages from party worker Wischniewski.

In return the chancellor is even prepared to accept a less prominent politician as his new aide in the Chancellery. Internal talks between him and his advisers yielded the names of young rightist politicians such as

Peter Corterier and Peter Reuschenbach (both Bundestag deputies) as well as parliamentary state secretaries Dietrich Sperling (housing construction) and Andreas von Buelow (defense)--the latter currently somewhat at odds with his boss Hans Apel.

Until now, though, Schmidt hesitated to make his choice public because he feared a confrontation with the party left. The leftists want to prevent Wischniewski, a trusted aide of the chancellor, from moving up to the party leadership and already have their eye on persistent Schmidt critic and nuclear power foe Erhard Eppler as the new deputy to Brandt.

Before the Berlin federal SPD party congress (3-7 December) the chancellor therefore intended initially to try and fabricate a compromise on nuclear policy with Eppler and his followers. This was to enable Schmidt to keep on governing without splitting the SPD on the energy issue--only a year before the Bundestag elections. Personnel matters were not to be discussed until a later date.

However, the situation from Schmidt's standpoint changed radically last Monday. In the course of a long chat with his friends in the high echelons of the labor unions (see page 19) the chancellor was assured that the workers are behind his energy concept and therefore--in all likelihood--the nuclear vote at the Berlin party congress will go in his favor, even without concessions to the left.

Schmidt used the opportunity to advocate a quick decision. He warned presidium members and labor unionists not to underestimate Franz Josef Strauss, chancellor candidate of the Union. The SPD should therefore avoid unnecessary conflicts such as an unduly prolonged discussion of the question of personnel. By putting experienced politico Wischniewski into Koschnick's place the party base would be properly prepared for the upcoming election campaigns in Baden-Wuerttemberg, Bremen and North Rhine-Westphalia as well as next year's federal elections. According to the chancellor this task should under no circumstances remain with party executive secretary Egon Bahr.

Brandt and Wehner, not only Schmidt, still consider that Bahr must share in the responsibility for the SPD's failure in the European elections, because he was insufficiently committed to the election campaign. As Eppler will have to prepare his own reelection campaign and former labor union official Funcke lacks experience in party work, Brandt and Schmidt finally agreed that only Wischniewski could come to the rescue.

After his election in Berlin he is to immediately give up his government job and assume sole responsibility for the election campaign. To propitiate Eppler and his followers Schmidt and Brandt agreed on assuring them that Wischniewski's election by no means represents a preliminary decision regarding the succession to chairman Brandt.

The SPD women are to be recompensed by letting Anke Fuchs join the party executive and possibly even the SPD presidium, if former labor minister

Walter Arendt maintains his resolve not to offer himself for reelection. Yet, even if the top tacticians succeed in placating the left and the women, dissension cannot be avoided altogether. SPD presidium members assume that Bahr will not quietly allow himself to be deprived of his most important function, the development of the election campaign strategy. They fear that he may prefer to resign abruptly.

The old Brandt follower knows Wischniewski well enough to realize that the latter would not give up his attractive government job to devote himself to organization only and leave the well publicized political statements and declarations to the federal executive secretary.

Wischniewski had no luck in his first attempts to come to a prior arrangement with the SPD executive secretary. He could not locate Bahr who is vacationing on a small freighter.

11598
CSO: 3103

POLISH-WEST GERMAN CATHOLIC RECONCILIATION ACTION NOTED

Warsaw WIEZ in Polish No 6, Jun 79 p 84

[Text] The attitude of the German Catholics to the issue of reconciliation and understanding with Poland, conceived in its global dimensions, is a manifestation which is complex, differentiated, and encumbered by sensitive historical-political determinations. Therefore, the sincere gestures and concrete actions of the various Catholic groups in the FRG, which contribute to overcoming the tragic past in the relations between the two nations in the spirit of Christian peace and solidarity are all the more meaningful and pleasing.

The "Maximilian Kolbe Action" (Akcja im. Maksymiliana Kolbego), which has existed since 1973, has its share in such activity.

"Maximilian-Kolbe-Werk" is to a small degree a legally formalized institution; it is not a foundation in sensu stricto nor an association. It is rather—as the name indicates ("Werk" in German means "action")—a plane for activity of all interested institutions and persons. The main participants in the Maximilian Kolbe Action [group] are the Central Committee of German Catholics, various Catholic state and professional groupings, and also the West German sections of "Pax Christi" and "Caritas." Also, participation in the group [Maximilian Kolbe Action] are some [Catholic] parishes and religious orders as well as numerous physical persons. The Action fund is created from the membership fees of the members and also various types of donations coming, among others, from Sunday collections organized for this purpose. The president of the Maximilian Kolbe Action is Albrecht Beckel; and the vice presidents are Bishop Georg Noser (Chairman of the German "Pax Christi") and Monsignor Georg Huessler (president of the German section of "Caritas"). The secretary general is Alfons Erb. The secretariat is located in Freiburg in Germany. A curatorium manages the fund.

In the information leaflet of [the Maximilian Kolbe] Action we read: "Our purpose, above all, is the giving of witness to Polish women and men, the victims of the inhuman Hitlerite system of concentration camps, that there people in Germany for whom their sufferings and results of these sufferings are not of unconcern; we want to express to them our sympathy, respect, and solidarity, and we also desire in some small way to compensate for the injury done to them in the name of Germany and endeavor to ease their life."

FOREIGN TRADE FOR EARLY 1979 ANALYZED

West Berlin DIW WOCHENBERICHT in German 5 Jul 79 pp 285-290

Text In the first 4 months of 1979 real goods exports clearly exceeded--by 3 percent--the level of the previous 4 months, seasonally adjusted.* The rise in exports was very strong in March and April while they had declined in January and February due to delivery problems caused by bad weather and the labor conflicts in the steel industry as well as the crisis in Iran. It is just because of this burden on the 4-months result that the strength of the overall movement is so remarkable. By comparison to the major part of 1978 it indicates a new business trend for exports.

Once again real goods imports rose somewhat more strongly than exports (3.5 percent compared to September/December 1978). The rise thus continued nearly unchanged at the same rate as in the preceding period.

In the first third of the year the balance of trade surplus declined slightly by comparison to the preceding 4 months (adjusted by price and season). As a consequence of the definitely worse terms of trade it fell from about DM14 billion to DM11.5 billion.

Wide Ranging Rise in Exports

Exports of investment goods strongly expanded in the first third of the year. Increased deliveries were recorded especially by the machine construction industry and the manufacturers of office equipment and EDP facilities. In both these sectors exports had declined in the second half of 1978; expansive influences are likely to have originated primarily in the West European countries. Exports of trucks and passenger vehicles with more than 2 liter cubic capacity--which are shown in the same group as investment goods--have maintained the high level of late 1978, while electrical investment goods showed a slight decline.

*

Seasonally adjusted according to the Berlin procedure.

From spring 1977 to about the end of 1978 real seasonally adjusted exports of consumer goods had just about stagnated. In 1979 we noted a considerable revival here also. Increased sales abroad were recorded mainly for passenger cars with less than 2 liter cubic capacity but also for electrical consumer goods.

With regard to products of the raw material industries, exports were slightly lower than in the preceding period. This was a consequence of the strong adverse effect of the labor conflicts at the turn of the year on iron and steel exports in the early part of 1979. However, this decline has since been largely recouped. Exports of chemical products, on the other hand, continued unchecked the strong rise begun in mid-1978.

Growing Demand from European Industrial Countries

The regional trend of exports is increasingly affected by the impetus coming from the European industrial countries, where German exporters have their key markets. Above average deliveries were recorded to the EC countries, especially France, Italy and Britain. The corresponding level of the previous year's deliveries to Italy and Britain was exceeded by roughly 25 percent. The former rapid rate of increase in exports to Belgium-Luxembourg weakened somewhat but continued high. Stimulated by the improvement in the business climate there, exports to Sweden and Austria rose at well above average rates.

Exports to non-European industrial countries generally rose somewhat less than to European industrial countries. Following a decline at the end of 1978 exports to the United States recorded another distinct rise. Export opportunities are likely to have improved in view of the U.S. dollar's greater stability vis-a-vis the D-mark. Deliveries to Japan, especially of industrial semi-finished products, recorded a healthy increase.

Since mid-1978 exports to the non-oil producing developing countries have speeded up; especially the "threshold countries" (Brazil, Mexico, South Korea, Taiwan) have yielded above average export successes. On the decline, though, were exports to the OPEC countries, which registered considerable cuts ever since last fall. In the period under review deliveries to Iran and also to Nigeria in each case amounted to less than half the corresponding values of the preceding year. After declining in the last 4-months period of 1978, exports to the state trading countries recovered slightly. Basically, though, stagnation has characterized exports to this group of countries since the fall of 1974.

Substantial Rise in Imports of Capital Goods

The substantial rise in the real imports of capital goods continued. In addition to products of the machine construction industry imports recorded increases especially in the group "passenger vehicles with more than 2 liter cubic capacity and trucks." Office equipment and EDP facilities were also

purchased to a greater extent than in the last third of 1978; compared to the previous year the rate of growth in this group of goods amounts to 44 percent.

Imports of consumer goods have declined slightly. While considerably fewer electrical consumer goods were imported, imports in the group footwear, textiles and clothing have continued to rise somewhat. The importation of cars with less than 2 liter cubic capacity maintained the level of the preceding period.

Seasonally adjusted real imports of semi-finished goods were somewhat lower; this was due mainly to the development of oil products, especially light heating fuels and gasoline. At the same time, though, imports of crude oil (which counts among raw materials) have risen substantially. This reflects the worldwide scarcity of oil products on offer; on the other hand it clearly shows that domestic refineries are increasingly involved in the supply of the home market--not least due to the improvement in the profit situation.

Finished primary products were imported in about the same quantities as at the turn of 1978, that is still considerably more than would appear necessary from the demand for current production; restocking was obviously the motive here.

...Favored Especially the Trading Partners in the EC

The regional development of imports shows that--seasonally adjusted--purchases from the EC countries (which account for nearly half the total imports of the Federal Republic) have risen to an above average extent, just as did exports. France and Britain in particular profited from this trend--the consequence probably of increased imports of capital equipment. The substantially higher value of imports from the Netherlands, on the other hand, must be considered in relation to the price increases for natural gas and oil products, which are largely purchased from that country.

The rise in the rate of imports from the United States weakened substantially in the period under review; still, imports maintained a high level and exceeded the corresponding values of the previous year by 20 percent. The continuing rapid expansion of imports from the oil producing countries since late 1978 reflects price and structural effects, the inflation of crude oil prices and the rise in purchases of crude oil in place of oil products. The Federal Republic scored surpluses in trade with the OPEC countries from the fall of 1977 to the end of 1978; the first 4 months of this year recorded a deficit of DM1.3 billion due to declining German exports and rising imports. Purchases from the other developing countries showed only a slight rise. Disregarding small fluctuations they have stagnated since the end of 1976.

Worsening of the Terms of Trade

Since the turn of the year import prices (average values) recorded the first substantial rise since the summer of 1977. This reversal in the trend of

prices must be attributed primarily to the inflation of oil and other raw material prices. It is notable that the price rises of imported oil and natural gas from the 4th quarter of 1978 to April 1979--20 percent--were only half those of oil products which, in the same period, increased on the average by more than 40 percent. Moreover, the strong revaluation of the D-mark vis-a-vis the U.S. dollar--which had persisted all through 1978--came to an end, so that the inflation of prices on foreign markets fully affected D-mark import prices. True, export prices also rose at a faster rate, but not nearly as much as import prices. The terms of trade therefore showed a considerable deterioration in the period under review.

Outlook

Since the summer of 1978 the rise in foreign orders received by the manufacturing industries has constantly accelerated. In recent months orders have exceeded spring 1978 levels by some 10 percent.

The increase was especially great for orders received by the raw material, production goods and investment goods industries, that is precisely the most export-intensive sectors. This indicates that exports will provide a healthy impetus in the coming months; real exports are likely to rise even faster than in the first months of this year.

However, we cannot rule out the possibility of a reverse trend in the receipt of orders later this year. As a result of the rise in oil prices and the ensuing problems--more inflation, deterioration in current accounts--the business trend in the West European industrial countries (which mainly fueled the recent demand impetus) has become subject to instability.

Due to market trends real goods imports will continue to rise faster than exports. In addition to investment and consumer goods, purchases of industrial manufacturing goods are likely to increase. At the same time, consequent on world market conditions, we must expect higher import prices. The terms of trade will thereby continue to worsen. This is the chief reason why we expect the nominal export surplus to continue declining in the coming months.

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CSO: 3103

ECONOMIC DEVELOPMENTS VIEWED, POLICY RECOMMENDED

West Berlin DIW WOCHENBERICHT In German 28 Jun 79 pp 277-279

Text The economy of the Federal Republic of Germany is currently distinguished by a healthy revival:

- Following the collapse of production, due to adverse weather conditions in the first months of the year, a very strong spring recovery is dominating the general upward trend.
- Foreign demand for German industrial goods has been climbing at a surprisingly rapid rate. Other than last year the development of foreign demand has speeded up rather than slowed business this year.
- However, the rise in demand and production is accompanied by an increase in the rate of inflation, due to the hike in the prices of raw materials and particularly oil products sold on world markets.

After faltering in winter, industrial production has recovered rapidly. In March/April it was (seasonally adjusted)¹ about 2 percent higher than the relatively high level of late 1978. Adjusted by working day, the April result exceeded that of the corresponding month in 1978 by at least 8 percent. Both figures indicate a rate of growth which is substantially greater than the expected average for 1979. Production has been particularly expansive so far in the raw material, production goods and investment goods industries. Output of consumer goods, on the other hand, rose only slightly.

The real receipt of orders by manufacturing industry has risen even faster than production. Despite increased deliveries stocks of orders are assumed

1) According to the seasonal adjustment by the Federal Office of Statistics, Wiesbaden.

to have increased. Crucial here was the welcome development of foreign orders: when we compare the seasonally adjusted trend of November/December 1978 to March/April 1979, the volume of orders received by manufacturing industry shows a total rise of about 4,5 percent; however, the real growth of foreign orders amounted to more than 10 percent, while domestic orders climbed by 3 percent. This upturn in the real domestic demand was quite good enough to result in a further rise in order stocks. Especially great was the excess of foreign orders in some industries where domestic demand appears to lag (especially road vehicle construction), or where we still have considerable under-use of capacities (as in the case of the iron and steel industry). In both cases the increase in foreign orders is extremely welcome.

In April, the last month for which statistics are available, the construction industry still exerted a restraining effect on the total economy. In that month also poor weather hampered building operations more than is the case normally, so that only a 2 percent rise in output could be achieved by comparison to the previous year. Worst affected was underground construction. On the other hand the order books of the construction sectors indicate that here also production is clearly on the rise. From the aspect of the economy as a whole the rise in output is likely to have speeded up even more since April.

Developments on the labor market also signal a stronger upturn in production. In May the numbers of registered unemployed declined to 775,000. More than 1.1 million were so registered in February last. The rapid and above seasonal decline in unemployment indicates two important facts: For one demand has improved so much that more and more firms--and not only in the construction industry--are compelled to hire more personnel. At the same time we note that the numbers of those unemployed who are relatively easily employable if the demand is present, are apparently greater than is often asserted. The recent improvement in the demand for office workers leads us to hope that unemployment among women (measured by the unemployment rate it is twice that of men, in fact 5 percent) will be reduced faster than hitherto.

Corresponding to the development of production we are seeing a definite improvement in the utilization of production capacities. According to the data provided by the Ifo business test, April achieved the greatest utilization of industrial capacities since 1973. The rise in the extent of utilization was especially strong in the raw material and production goods sectors.

Though this improvement in the business situation does not apply uniformly to all sectors of manufacturing industry, it has now achieved such depth that a generally noticeable rise in investment activities has resulted. In the first quarter of this year the real equipment investment which quite reliably reflects the private sector's inclination to invest, exceeded the level of the corresponding period of 1978 by 11 percent, and the indices of orders received by the producers point to a continuing trend.

Other than last year, when the growth of real exports of goods and services was at times distinctly lower than total economic growth (in other words exports acted as a retardant), this sector has supplied healthy impulses ever since the turn of the year. In the first quarter of 1979 the real rate of growth (by comparison to 1978) was double that of the gross national product and thus reflected a basically new situation. The importance of this positive factor is not diminished either by acknowledging that real imports are expanding even faster: The development of imports is largely determined by the rate of growth of production in the Federal Republic, and exports have made a particularly strong contribution to this growth in recent months.

The nominal flow demonstrates an even stronger tendency toward a diminution of the current account surpluses arising as a consequence of this development of real exports and imports: In the aftermath of the inflation of raw material and, particularly, oil prices the cost of imports has shown an exceptionally strong rise since the beginning of this year, in fact considerably more so than export prices. In April last import prices exceeded the levels of April 1978 by about 9 percent, while export prices which, due to the revaluation of the dollar, allowed greater scope for passing on charges, increased by only 4.5 percent.

At the same time this divergence caused a steep rise in consumer prices in the Federal Republic. The cost of living index climbed, seasonally adjusted, by 2.4 percent from December 1978 to May 1979, that is by as much in these 5 months as in the 12 months period from December 1977 to December 1978. Compared to May 1978 prices of light heating fuel rose by about 70 percent, an exceptional increase which by far exceeds that of crude oil.

Both the effects of the inflation of oil import prices, that is the decline in the German export surplus and the speed-up of the domestic price rise, have negative distributive effects: In the foreign trade sector because the lowering of the export surplus primarily benefits the OPEC nations rather than the countries in deficit. At home problems arise because the rise in the cost of living due to higher oil prices does not involve a general climb of company profits: The increased earnings go to only a small group of firms while the others, just as wage earners, see their expenses soar. The enforcement of a distributive compensation (which will certainly be requested sooner or later) would, in these conditions, have adverse economic effects.

If we consider the currently visible basic trends of economic development this year by way of an interim balance sheet, we get the following picture: The real gross national product is likely to achieve the estimated growth of 4 percent² and may even slightly exceed it. Real exports of goods and services might rise more than forecast by the joint estimate of the institutes

2. See "The Situation of the World Economy and West German Economy in Spring 1979," DIW WOCHENBERICHT No 15-16, 1979.

(6 percent). However, this will not really affect the real foreign contribution because real exports are likely also to expand somewhat more than expected (7.5 percent). Equipment investments will probably somewhat exceed the estimated growth (7.5 percent). Growth losses may be expected for real private consumption (forecast + 3.5 percent). These losses arise from the fact that the rise in consumer prices forecast for the second half (4 percent compared to the second half of 1978) is likely to be exceeded and thereby act as an unplanned damper on most real incomes. It is not very probable that this effect will be balanced by a decline in savings. The labor market data indicate an average unemployment figure for the year, which is notably below the forecast (900,000).

Given this favorable outlook for the development of the real dimensions (output, employment) and the rise in the inflationary danger (caused by outside influences), the key issues in the debate on an appropriate economic policy have shifted to a considerable extent. The damping up of price rises is emerging more and more clearly as the priority job; at the same time many people are steadily more convinced that recovery has progressed so far now that no more than a minor delay in economic growth and employment is to be feared as the consequence of a restrictive economic policy.

Commitment to stability is not asked of the Bundesbank alone. Many believe that the time has come to make a resolute start on the consolidation of public budgets--until now postponed in order to help the economy--, and to restrain the rise in government expenditure wherever possible.

However, actual economic decisions should not be oriented only to these black and white contrasts between inflationary trends and real economic developments--such as tends to be the case in discussions. The most important argument against changing monetary and financial policies to a restrictive line arises from the analysis of the trend of exports. Let us remember the experiences gained in 1974: Then as now the consequence of the exorbitant oil price inflation was a healthy rise in foreign demand for products of the Federal Republic. Yet this situation changed as early as the fall of 1974, when due to higher oil prices current account deficits assumed worrying dimensions in many industrial countries. Exports declined sharply, and this was decisive for the recession of 1975. Much in the present trend reminds us of a possible analogous development which might begin toward the end of this year. In the Federal Republic of Germany, moreover, the rise in oil prices is causing new adjustments to be made, which will adversely affect economic growth. If, misreading this danger, we now prematurely adopt a restrictive line, we might well see--in 1980--a joint detrimental influence of foreign demand, monetary and financial policies on economic growth and employment in the Federal Republic. There is not really any doubt that medium-range economic trends would have a harder time coping with the consequences of another recession than was the case after 1975. Late consequences of the economic collapse then are still noticeable now in some industries and in the high rate of unemployment.

It would be dangerous to expect that such negative total economic trends could be prevented by another reversal of economic policy. As regards monetary policy, the delays are much too long; even short lags of appreciation and decisionmaking would not help there. Besides, administrative delays must also be considered should financial policies be eventually realigned to another expansive course. Before such measures could bite, a recession may well be upon us.

The economic authorities should therefore be careful to remember that the near future will not be free of conflicts of targets; in other words economic policy should not concentrate only on preventing aberrations with regard to one basic goal. It is likely that, in the Federal Republic also, conflicts between targets will become more pronounced in the foreseeable future. An appropriate economic policy must pursue a constant and steady approach. Monetary policy, therefore, must resist the temptation to exert anticyclical influences just as much as financial policy must resist the temptation to restrict the real growth of expenditure below the amounts necessary within the medium term.

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CS0: 3103

BRIEFS

NO WORLDWIDE RECESSION--Hamburg--Federal Economics Minister Otto Graf Lambsdorff takes the view that the new oil crisis will not cause a large-scale worldwide recession. In an interview with the weekly WELT AM SONNTAG the minister said that in the Federal Republic there will be no need to make cuts in the growth target of 4 percent for this year. There was no reason to doubt that the economy will develop satisfactorily also in 1980. [Excerpt] [Hamburg CPA in German 1328 GMT 11 Aug 79 LD]

1979 OIL IMPORTS INCREASE--In the first 6 months of this year the Federal Republic imported substantially more crude oil than in the same period last year. According to the federal statistical office in Wiesbaden imports were 21 percent higher than in the first 6 months of 1978. Imports from Iran were 42 percent lower during the period covered in the report. [Text] [Hamburg Domestic Service in German 1800 GMT 15 Aug 79 LD]

CSO: 3103

KOIVISTO AS THE FINNISH AYATOLLAH

Helsinki HENARI in Finnish 27 Jul 79 p 3

[Commentary by Osmo Apunen: "Mamutollah"]

[Text] In a pensive mood in the sauna, the thought occurred to me that Finnish domestic and foreign policy is being powerfully shaped on Iranian models. The nation appears to be on the threshold of a structural change in domestic policy. And at the same time, a major change is taking place on the international scene where fateful chords can be discerned.

We are clearly in a crisis situation. Crisis is a state of being dominated by uncertainty over the direction future development will take. This uncertainty is the heart of the matter. In the grip of uncertainty, people experience a feeling of insecurity. The present security policy is likewise by nature one of absolute power.

In a crisis situation, leadership is an especially important matter. One would imagine that our good citizens sitting at their lathes and cash registers might be yearning for demagogically clear prospects for the future or clearcut and determined leadership. But what do we have? In this situation, a political antihero, who out of the side of his mouth utters capricious thoughts and poses unpleasant questions, Mamo Koivisto — Mamo — who enjoys a public favor greater than that of Finland's leading politicians, one which goes beyond party lines.

In Iran the people rejected the white revolution conceived by the shah and turned to Ayatollah for protection. Democracy as conceived in Finland is limited to a defensive attitude. Kalevi Sorsa notes: "We have to toss our notions out the window, start from the standpoint of the ordinary man and develop our policy from that angle."

The chairman of a party that adopts a policy of progressive democracy takes a creditable and courageous step in stressing the importance of people's right to directly decide on issues. Leading an experienced party for a long time is such a great feat that perhaps Kalevi Sorsa has taken up precisely the issue on the basis of which his performance as chairman will in future be weighed.

It is high time for the SDP [Social Democratic Party] to pull itself together intellectually. Mauno Koivisto's high opinion poll ratings offer a good opportunity for doing so. And as for Koivisto, he seems to be capable of making room in his conduct of foreign policy for the president in office. This does not mean that the SDP would withdraw from the field of foreign policy. But it does offer us a chance to get away from the rules of the old presidential game in which the goal has been to drop out of foreign policy making. This is also valid inside the party, hopefully.

Koivisto's ratings also provoke curiosity. Paavo Lipponen is probably giving a true picture of the situation when he maintains that what the government does cannot shake Koivisto's position. "He is a personality we need," Lipponen says. The public is sensitive, apparently more sensitive than presumed, to the real thing and places its trust in it. And this is so when the leaders are at a loss too. This is our "Maanantollah," a figure of absolute power, not just some sort of formula.

The question of the future arises from the uncertainty of the present. It is still many years to 1984 but our thoughts can close the gap in a moment. This is what has happened. And so the SDP has reason to be bitter — because nowadays the party is always bitter where important matters are concerned — deliberating on the significance of a situation in which one leading Social Democrat has a power reserve consisting of broad, public favor that goes beyond party lines, and perhaps too a cautious view of the economy, and, on the other hand, there is uncertainty as to how his own party machine feels toward him.

By nature, the question is not a theoretical one. It will not cross ventilate the party but perhaps it will bring fresh air into it.

11,466
CSO: 3107

VIROLAINEN SAYS BEING A SPITTOON IS NO FUN

Helsinki UUSI SUOMI in Finnish 8 Jul 79 p 6

[Text] "Being a spittoon is no fun," Parliament Speaker and Center Party Chairman Johannes Virolainen notes, with reference to his political position which has recently gotten into hot water.

According to Virolainen, in politics some things nevertheless have to be said, "otherwise nothing would come of the whole business."

In an interview published in the ILTA-SANOMAT, Virolainen very cautiously discusses his relations with President Kekkonen from whom he received a public reprimand before Christmas.

"The president has always wanted to say everything he has to say at once. He feels that is the best way to handle matters and what he has to say is incisive.

"Then later he suggested that we not talk about the matter anymore, so I won't talk about it."

According to Virolainen, it is important for Finland to keep Kekkonen in the president's seat for as long as possible.

Speaker Virolainen had received an exceptionally sharp reprimand from the president because of an interview that appeared in SUOMEN KUVALEHTI.

In that article Virolainen indirectly let it be understood that reasons of foreign policy kept the Conservative Party from being allowed to participate in the government.

"We have informed our supporters that foreign policy comes before domestic policy and that the line between them is like a line drawn through the water," Virolainen commented.

11,466
CSO: 3107

SUNDQVIST GIVES GOVERNMENT UNTIL AUTUMN TO SHAPE UP

Helsinki DEPARI in Finnish 13 Jul 79 p 5

[Commentary by Jukka Vayrynen: "Sundqvist to Center Parties: 'Cooperation in Government Endangered Unless Sensible Policy Found'"]

[Text] Will the Koivisto Government succumb to internal differences of opinion in the fall? According to Trade and Industry Minister Ulf Sundqvist (Social Democrat), the question will be answered during the August-September economic policy discussions.

"All alternatives are still open. Cooperation has gotten off to a bad start," Sundqvist says. "If the government is unable to gain the confidence of wage-earner organizations because of opposition from the middle class and thus tighten up the situation before the actual start of collective bargaining, we will be sitting on the sidelines as onlookers."

Sundqvist's words are addressed to the center parties in the government. In his opinion, the government is in danger of losing the good reputation it has had in the trade-union movement on account of center group agitation for the forest tax and the right's following suit.

Sundqvist seeks to explain the center parties' reason in terms of the recent post-election situation rather than of the often preferred, stereotyped response according to which KEPU [Center Party] inflexibility is attributable to the fact that it now shares the government with a "second in command" incapable of agreeing with it.

"If the KEPU has two vice chairmen in the government and Eino Uusitalo is the prime minister's deputy, it seems to me that under the circumstances there is no second chain of command. Certainly the government should be able to come up with decisions," Sundqvist says.

"The center parties were simply paralyzed by their fear of the right following the elections. And now they do not seem to making any spontaneous effort to find an economic policy. Instead, everything they have thus far proposed is directly borrowed from the right, the Conservative Party, the lumber industry, etc.," he feels.

Government Heaping Coals on Its Neck

Referring to the economic policy decisions postponed until fall, Sundqvist says that we are rapidly reaching a point where the government "will either be heaping so many coals on its own neck that the situation will explode just because of that or where it will have to reach broadly based agreement on an economic policy the implementation of which would mean the attainment of a low rate of inflation and the elimination of the nation's most urgent problem: unemployment."

By heaping coals on its own neck, Sundqvist means that in that event government cooperation would be singed by the flame of internal differences of opinion.

"Even now, all of the preconditions and the moment are ripe for producing sensible decisions by means of which we would be able to predict future economic risks," he maintains.

"We Are Not Creating Hysteria Over Inflation"

According to Sundqvist, talk about the importance of essential economic policy decisions is forcing dejected middle class and KKP sources to claim that the flames of hysteria over inflation are being fanned in workers movement circles.

"We have not done this. We merely wanted to point out those dangers that are already clearly noticeable.

"Despite the relatively modest proposal on the price of standing timber, the rise in lumber prices is a fact and the rise in construction costs and also the fact that the wood-processing industry is running at full capacity give rise to inflationary pressures," he says. "And in addition to all this there is the rise in the price of oil, about which we can do nothing at all."

Under the circumstances, in Sundqvist's opinion, the grave concern over rising inflation cannot be groundless.

We Should Not Turn Our Backs on the Trade-Union Movement

Sundqvist is apparently concerned over how the government will succeed in preserving the good relations with the trade-union movement created during the Sorsa Government. He notes that the trade-union movement has spontaneously shown its confidence in the government by indicating its readiness to accept moderate wage-policy decisions.

"The SDP [Social Democratic Party] will not agree to a government attempt at this time to turn its back on the trade-union movement. We will not take part in a dispute with our closest ally," Sundqvist warns.

Nor does he feel that economic policy decisions can be tied to wage-policy decisions. Sundqvist is of the opinion that this attitude, representing chiefly that of the KEPU ministers, and the closely linked proposal to begin wage-policy discussions earlier than usual displays a great ignorance of trade-union affairs.

"I wish they would inform themselves better," he says.

Cooperation Now Really Put to the Test

By way of indicating how serious he feels the internal situation in the government is, Sundqvist says that left and center cooperation in the government are now really being put to the test.

"Over the past few years, we have gotten into the habit of taking this for granted and assuming it to be the majority's only possible alternative, and the very notion has nourished itself," he says.

Sundqvist to be sure admits that it is hard for him to believe that there are any other effective majority government alternatives.

"However, a forced marriage is always a bad solution. We assume that there is at this time no question of a fateful situation which would be cause for sacrificing our principles and sensibly viewed action policies on the altar of enforced cooperation," says Trade and Industry Minister Ulf Sundqvist.

11,466
CSO: 3107

AIKAS: CENTER WON'T ENTER ANOTHER CENTER-LEFT COALITION

Helsinki HELSINGIN SANOMAT in Finnish 22 Jul 79 p 6

[Text] Defense Minister Lasse Aikas (KESK [Center Party]) warns that, if the government headed by Mauno Koivisto (Social Democrat) crumbles, there will be no way to get the KESK to participate in the government again on the present basis.

Speaking in Urjala, Aikas criticized "those who use big words," who in print have expressed their doubts that the government formed with such difficulty will crumble as early as this fall.

Aikas chiefly directed his remarks at Trade and Industry Minister Ulf Sundqvist (Social Democrat) who about a week ago found fault with the difficulties the Koivisto Government was having in setting itself into motion. According to the defense minister, exaggeration of the difficulties weakens the chances for cooperation.

"Instead of threats and huffing and puffing, there is more cause for concentrating on the job we have to do and calmly waiting to see what the government gets done," Aikas suggested.

"It is obvious that, if the present government crumbles, we will not find the strength to obtain a decision which would permit the KESK to form a government on the present basis."

According to the defense minister, we now need "patience, common sense and above all recognition of the facts by members of the government and also by those responsible for forming this government, who are waiting to see what it will get done."

Aikas applauded the government's decision to postpone revaluation. In his opinion, there is no longer any reason for revaluation, or raising the mark's foreign exchange value.

The defense minister said that revaluation would merely cut down on the indebted lumber industry's urgently needed income from exports and would

weaken the entire export industry's chances of keeping its head above water in the face of tough price competition.

Aikas also replied to Second Finance Minister Pirkko Tyolajarvi (Social Democrat) who has demanded that the government give up its plans for reducing employers' Social Security payments.

In the defense minister's opinion, however, the economy should not be saddled with burdens it cannot possibly support.

"We cannot confuse personal preferences and sympathies with the economic policy we have to follow. Economic laws cannot be changed, such as we should like to do so," Aikas pointed out.

Virolainen Demands Comprehensive Package

KESK Chairman Johannes Virolainen expects the government to come up with a comprehensive package on the economy. The KESK leader warns the decision makers of the errors of the past few years and demands "a program of stabilization and recovery based on facts."

This program should deal with all major problems: wages, prices, farm income, foreign exchange rates, interest, taxes and government economy. In his Saturday weekly review, Virolainen rated his party as Finland's chief vote-getter.

Calmly viewing the course of events, "there is reason to emphasize that the government must now choose its path and make its decision. The most important and most urgent task is to prevent the launching of a new wave of inflation," Virolainen writes.

Warning the decision makers, Virolainen says that the present situation reminds him of 1974 when export volume was good and import prices rose sharply due to the oil crisis.

Virolainen nevertheless believes that a broadly based government is capable of setting up a good program. "Mauno's second in command is also capable of actually realizing such an economic program with the support of Parliament, a program that is indispensable considering the economic situation that reigns in this country."

11,466

CSO: 3107

PEKKALA WARNS STATE FINANCES NOT YET ON FIRM BASIS

Helsinki UUSI SUOMI in Finnish 21 Jul 79 p 6

[Article by Seppo Karanen: "Finance Minister Pekkala: Too Rosy a Picture of Government's Ability To Pay"]

[Text] According to Finance Minister Ahti Pekkala (KESK [Center Party]), too rosy a picture of the government's ability to pay has been given in the press. Pekkala admits that the government is at the present time meeting its obligations, but the economy is on a shaky basis.

"We must remember that government borrowing has been heavier than usual this year," he says.

According to Pekkala, government expenditures have been constantly bigger than income. Over the first 5 months of the year, not counting loan amortization, they were 1.6 billion more than income.

"This government has not yet come up with a supplementary budget and balancing next year's budget will be a hard job."

Government transfers do not adhere to the timetable for construction set forth in the budget. From speaker in Parliament, Pekkala took on his new job during the last few days of May, when preparation of next year's budget, under the leadership of former Finance Minister Paul Paavola (Social Democrat), was already well advanced.

"On Schedule"

"Despite the change in administration, preparation of the budget is on schedule. We will have the bulk of our initial proposal ready by next week."

About July-August, discussions between the Finance Ministry and the other ministries will begin. Following these discussions, the Finance Ministry will draft its final funding proposals which will serve as a basis for the entire administration to start concluding discussion of the main budget items. The 30-31 August have been set aside for thrashing out the budget.

If necessary 2 days are set aside for this purpose. According to Pekkala, Parliament will receive the budget proposal as soon as it goes into session on the 18 September.

Preliminary preparation of the budget was set in motion as a task for the appropriate officials as early as last fall, following completion of this year's budget. The determination of funds needed to run their departments was begun in each ministry.

During Kalevi Sorsa's (Social Democrat) Administration, the Finance Ministry gave the ministries instructions on drawing up the next year's budget. According to the instructions given in February, the budget is structured to allow for a 4-percent overall growth in production. That figure serves as a basis throughout. The growth predictions furnished by the National Economy Department of the Finance Ministry are examined at this time. With the new predictions, they are able to more accurately estimate the effects of the rise in energy cost on overall production growth and price evolution.

"We Cannot Go on Borrowing"

This year's budget is based on a sizable amount of domestic and foreign borrowing.

According to Finance Minister Pekkala, borrowing was justifiable for recovery projects, but he feels that the budget cannot go on being based on indebtedness.

"At this time I cannot yet more accurately estimate next year's loan needs. That depends on developments in the domestic and foreign money markets, where we get our loans. For many reasons, it is more advantageous for the government to be able to obtain a domestic loan for its needs, but this depends entirely on money market developments. In my opinion, the government especially cannot interfere with the money market by taking out loans."

"Payment Hikes Inevitable"

The government's goal is to keep next year's overall tax level the same as this year's. On the other hand, there is pressure toward tax extremes in the towns and the relief for social welfare payments received by many employers will be lost with payments returning to what they were before as soon as the wage agreement expires at the end of February. Apparently, indirect relief for labor force expenses will be continued in at least some form. Relief for the business turnover tax on industrial investments also expires at the end of the year. The major point of agreement in the government is probably on elimination of child subsidy payments. At the present time, the child subsidy payment amounts to 0.5 percent of the salary. At this point, Pekkala does not want to go into detail on Finance Ministry plans.

"Before interparty discussions take place, I do not want to comment in greater detail on how the budget is to be structured, a budget, moreover, that is still in process of being drafted.

"We are trying to stave off rises in taxes and fees for as long as possible. In my opinion, the emphasis is on the word 'taxes.' Of course, it is hard to avoid little hikes in the different government departments' fees and tariffs," Pekkala says.

Business Property Tax

The government program allows for adjustments of income and property tax scales that will compensate for inflation. These adjustments will be on the average order of from 7 to 8 percent. Still on the agenda for interparty discussion is the question as to whether the adjustments will be equally large or whether they will, for example, force the scales down. The wage-earner organizations, AKAVA [Academic Professional Commission] and STTK [Finnish Federation of Technical Functionary Organizations], and the employer organizations are demanding equally large adjustments. The SAK [Central Federation of Finnish Trade Unions] and the TVK [Confederation of Salaried Employees] are demanding that the adjustments favor low and middle income groups.

The committee that has been deliberating on the business tax question, submitted to it for consideration some time ago, has proposed a 30-percent relief for the business property tax which would affect all businesses without involving collection or ownership-related restrictions. Pekkala does not want to slam the door shut on his view of the situation; rather, he wants to leave it open just a crack.

No Time for Energy Tax

Although energy conservation and support for domestic sources of energy constitute one of the government's guiding principles, the government will hardly find time to get involved in energy taxation. The excise tax law committee has proposed that imported energy be taxed according to heat value, a so-called energy tax. Energy from domestic sources would be tax exempt. The committee has also proposed that industry for a long time to come continue to demand elimination of the tax on electricity.

"I support the committee's proposals. In my opinion, it is not wise to tax domestic energy, but I doubt whether we will find time to discuss the matter sufficiently for any decisions to be included in the budget. The situation gives us the impression that the committee was not in unanimous agreement on its proposals," Pekkala says.

The budget, which it is estimated will come close to a record figure of about 50 billion, will probably not allow any sizable funds for additional government personnel. In the instructions issued by the Finance Ministry as early as this spring, it was emphasized that the ministries will have to manage without additional personnel.

Party Instructions

The government parties will also instruct their ministers for the first time as early as during the first half of August. The Social Democratic Party Committee is to meet on 9 August, the SKDL [Finnish Peoples Democratic League] Federation Administration on 10 August and the KESK Party Administration on 13 August. The RKP [Swedish Peoples Party] Work Committee is to meet on 9 August. The RKP has not yet decided on a definite time for its administration to meet.

The party administration of the biggest opposition party, the Conservative Party, is to meet on 8 August. The Conservative Party has not yet decided whether it will draft its own so-called shadow budget or will merely take a more general stand on economic policy and then make its own budget proposal.

11,466

CSO: 3107

DELAY FORESEEN IN STARTING UP SECOND LOVIISA REACTOR

Helsinki HELSINGIN SANOMAT in Finnish 20 Jul 79 p 19

[Text] Porvoo (HS)—The inauguration of commercial operation at the second Loviisa atomic power plant will probably be postponed until next year. The delay of nearly 2 years beyond the original schedule in opening the plant is chiefly due to bad luck resulting from faults that have appeared in the pressure vessel.

In June the Imatra Power Company (IVO) announced that the loading of fuel would have to be postponed for 2 months. It now admits that this schedule is overly optimistic. The experts expect to be able to charge the reactor at the earliest sometime in the fall instead of in August.

To date the IVO has not even gotten all of its permits to proceed with repairs. Defects have been found in the reactor pressure vessel's centimeter-thick anticorrosion coating, which now have to be patched.

During inspections, defects were noted on the surface of the coating as well as inside it. The effects of these defects are now to be ascertained at the IVO, the VTT [expansion unknown] and the Radiation Security Institute.

After the repairs are made, the pressure vessel still has to go through a so-called heat test during which the main elements of the atomic power plant are placed under the same load as during normal operation. Permission to charge the reactor itself can only be granted following this test. It takes about 3 months to get the plant into commercial operation after charging.

The IVO's first atomic power plant, in operation for over 2 years, has not yet received permission to operate at full capacity either; rather, the power plant may only run at a maximum of 92 percent of full capacity. Operation short of full capacity is due to the reports demanded by the Radiation Security Institute. The latter is especially interested in the behavior of the fuel rods.

The IVO had hoped to get permission to go into full operation as early as 2 years ago when the Industrial Power Company was granted permission for a noticeably more modern plant. Because of its under capacity operation,

the IVO has to date had to produce about 100 million marks worth of electricity that is more costly than that obtained through atomic power.

The IVO hopes to get its first plant into full operation before the second plant is completed. Both plants have the same fuel system but it is hoped that their problems will be solved separately.

The handling of the matter in the Radiation Security Institute has in the end been delayed because of the slow transmission of the results of the Soviet examination. Among the findings of the examination made this spring, holes were also observed that are yet to be filled.

Growth in the consumption of electricity during the early part of the year remained at the same level as last year. By the end of June, electricity consumption had risen by 9 percent in comparison with the same period last year.

The amount of electricity produced in Finland by means of atomic power has considerably risen, as shown by the fact that 2.9 billion of the total consumption figure of 19.2 billion kWh were produced with atomic power. This amount is over twice what it was during the first half of last year. About 9 percent of the electricity produced last year was in the form of atomic power and about 15 percent this year due to the Olkiluoto Atomic Power Plant test run.

Low water reserves have caused a sudden drop in the production of waterpower, as shown by the fact that during the first half of this year 12 percent less electricity was produced by means of waterpower than last year. In June, however, the production of waterpower increased by 28 percent. In this country, industry is the biggest consumer of electricity, since about 60 percent of all the electricity consumed is for industrial use. Private consumption accounts for 24 percent and about 16 percent of the total amount of electrical energy is used for other needs.

11,466
CSO: 3107

FINLAND'S SOVIET OIL IMPORT BILL TO RISE ALMOST 20 PERCENT

Helsinki HELSINGIN SANOMAT in Finnish 1 Aug 79 p 22

[Text] Finland is going to get a sizable additional bill from the Soviet Union for oil imports. The company [Neste] has concluded its negotiations with the Soviets on the price of oil and the settlement means an additional bill of about 600 million marks a year.

The additional bill for the end of the year will come to about 300 million. This time the rise in price is slightly bigger than the June rise. At that time, for example, the rise in the price of oil pushed the price of light fuel oil up by 17.5 percent.

Neste and Soyuznefte [Union Oil]-Export had been negotiating on the price of oil since as early as the beginning of July. Negotiations were delayed because Neste wanted clarifications on the prices other Nordic countries would be paying for Soviet oil. Thus in connection with the new oil price agreed on last week, it was made clear that Neste would not have to pay more than the price the other Nordic countries will be paying. The price increase will go into effect retroactively from the beginning of July.

The latest round of price rises was triggered by the OPEC decision at the end of June to raise the price of crude oil by one-fifth. That organization agreed on a minimum price of \$18 a barrel and a maximum of \$23.50. All along, however, we have been paying noticeably higher prices for oil on the so-called spot market.

Neste's reason for entering into negotiations was the OPEC bottom price of \$18 a barrel.

According to the agreed on price hike, oil costs Neste an average 593 marks a ton.

This year crude oil prices have risen quite rapidly. Some kinds have risen in price by as much as 70 percent and those that have risen the least by 50 percent.

Government Decides on Consumer Prices

The sales price of oil sold to consumers is not a matter of consideration for Neste. The Ministry of Commerce and Industry raises the prices of the different oil products after the Council of State has decided on the matter.

According to its sales manager, Kai Niiatarinta, Neste intends to without delay apply to the Ministry of Commerce and Industry to raise prices, as soon as prices have been conclusively negotiated with all oil suppliers.

The price of Soviet oil to a large extent determines the prices at which fuels are sold since two-thirds of Finland's crude oil requirements are imported from the Soviet Union. The remaining one-third of the total of 12 million tons imported is supplied by Iran, Iraq, Saudi Arabia, England and Norway. Price negotiations with these suppliers will be concluded soon. An agreement is also soon to be entered into with the Swedish Petroleum Company for the refining of Swedish oil in Neste's Porvoo oil refinery.

The latest rise in the price of crude oil was in early June. The Council of State at that time decided to accordingly raise the price of liquid fuels. The decision was based on the conviction that consumers must get used to the ever-rising cost of oil and adjust their consumption accordingly. The council no longer wanted to saddle Neste with the burdens incurred by the rising cost of oil, choosing instead the path of full compensation.

This time, the Council of State price decision primarily sets the 233-point consumer index limit to be agreed on in the approaching wage-policy negotiations. If consumer prices rise to more than 233 points by October, wages will rise by 1 percent.

Previous Rise in June

In June the Council of State decided to raise the price of liquid fuels in the same proportion as that of the rise in crude oil prices. Relatively higher is the rate of increase in the cost of light fuel oil, which rose by 17.5 percent. The price of heavy fuel oil rose by 16.3 percent, gasoline by about 5 percent and diesel oil by about 10 percent.

Price of Oil Drops on Spot Market

The price of oil on the Western European spot market has been dropping this week because the demand for oil has declined. Oil was purchased as early as a week ago at about a dollar a barrel less than during the first half of this month. Light fuel oil imported from Saudi Arabia now costs \$29 a barrel in Mediterranean ports as opposed to \$30 or \$31 only a week ago.

The price of oil has also been dropping in Rotterdam. The price of fuel oil there is right now \$28.25 a barrel. Only the price of heavy fuel oil has risen in Western European oil trading.

FINNISH LUMBER EXPORTS REACH RECORD LEVELS

Helsinki UUSI SUOMI in Finnish 20 Jul 79 p 13

[Text] The Finnish lumber industry will this year achieve its postwar export records. According to the Finnish Sawmill Owners Association, exports will rise to over 5.5 million cubic meters. According to the latest export trade figures, during January-June lumber export volume rose 31 percent over that of last year and amounted to over 1.7 billion marks.

The favorable lumber market situation in Central Europe is not due to an increase in consumption, since it is estimated that consumption will more or less remain at the same level as last year; nor are any essential changes to be expected in the volume of lumber consumed.

The favorable sales market for Finnish lumber in Central Europe is, from the Finnish standpoint, attributable to favorable competition. Low stocks in buyer countries have increased the demand for finished lumber.

United States Buys from Canada

The Canadians are selling lumber to the United States where a period of active construction has been going on for some time now. According to forester Heikki Volanen, a change in the situation in the United States could rapidly affect the demand for Finnish lumber, when the Canadians begin to introduce lumber into traditionally Finnish market areas. According to Volanen, 40 percent of Finnish lumber exports go from Finland to France, the FRG, the Netherlands and Belgium.

Competitors Have Difficulties

Central Europe's own lumber industry has had difficulties in keeping its head above water, since the price of timber has risen rapidly.

In Sweden, the lumber industry cannot get enough timber. In Sweden, forest owners do not want to sell their timber because of the forest tax. There, part of the forest tax is determined on the basis of income received from the sale of timber.

The Soviet Union has not increased the amount of lumber it exports to Western European countries; instead, export volume has remained the same as before, thus Volanen feels that no pressure need be feared from that quarter.

Expansion Under Consideration

The lumber industry is considering new operations in different parts of the country in order to increase production. During the past few years, the Timber Industry Association has discussed about 10 expansion proposals, realization of which would mean the addition of over 200,000 cubic meters to present-day production.

"The use of heavy timber would through the new operations increase production by a half a million cubic meters," says association forester Samuli Kaurinkoski.

Rough Estimate

A lumber export volume in excess of 6 million cubic meters is in itself not an impossibility this year.

The previous export record, achieved in 1927, was 5.95 million cubic meters.

"At this point, our estimate of export volume is still a relatively rough one, because we do not know how much lumber that has been sold will be shipped this year and how many shipments will be postponed until next year," says Sawmill Owners Association general manager Paavo Miettinen. According to Miettinen, the lumber industry has to a certain extent managed to improve its ability to compete which is now threatened by revaluation of the mark.

"If revaluation goes into effect, it is clear that lumber export and production volume will begin to drop. How much of our ability to compete it cuts into will depend on how big a revaluation is involved," Miettinen says.

Full Operational Capacity

Sawmill operational capacity is rising to 90 percent. According to Miettinen, it will be fluctuating between 80 and 90 percent this year. The rate of production can hardly be improved on beyond this. Full operational capacity is quite justifiable, since 90 percent of this year's production has already been sold. On the other hand, the Sawmill Owners Association believes that next year's sales will not really start moving until September or October, but there has also already been some trading for next year.

Employment in the lumber industry has remained at a relatively constant level. Despite the growth in production and export volume, the lumber industry cannot at this time offer more jobs, since the degree of automation has sharply increased over the past few years.

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CAUSAL ANALYSIS OF WANING COMMUNIST SUPPORT IN PARIS AREA

Paris LE MONDE in French 20 Jun 79 p 10

[Article by Thierry Pfister: "The Evolution of the Communist Party Electorate"]

[Text] For several years we have seen a decline in the influence of the Communist Party in the municipalities where it has long been in control. This phenomenon is especially remarkable in the Parisian region (LE MONDE, 21 March 1979) and the matter was even taken up by Jean Garcia, senator, secretary of the Seine-St. Denis Communist Federation, at the 23rd Congress. It was also confirmed at the time of the cantonal elections four months ago, as well as on the occasion of the 1978 legislative elections or the European ballot of 10 June.

The first explanation that comes to mind is a purely political one: the PCF [French Communist Party] is feeling the effects in its stronghold of the renaissance of the PS [Socialist Party], whose candidates borrow from the common electoral funds of the left. This explanation is not incorrect, of course, but other factors of a sociological nature round it out.

The decline of the PCF of course worries the Party's leaders, who on the whole do not see any possibility of remedying the situation in the near future. On the one hand because that erosion is due to sociologic changes that are beyond their reach, on the other hand because they do not agree among themselves on the analysis of the declines attributable to the action of the PCF itself. Several causes are put forward:

1. An industrial change. The early origin of the changes that have occurred in the sociologic makeup of the suburbs lies in the industrial change that has been affecting them for 60 years. A region of old industry, often metallurgical, they have seen a number of businesses close their doors. In the past 15 or so years, for example, Montreuil (Seine-St. Denis) has lost over 15,000 jobs in that sector.

In Ivry-sur-Seine (Val-de-Marne) the deficit in ten years is 10,000 jobs. It is explained on the one hand by the closing of 81 firms, while 40 new installations have taken place, on the other hand by a cutback of manpower in several other firms. Not only have jobs disappeared, but those that remain or have been created are in the tertiary sector. Offices are replacing workshops, professionals and women are gradually supplanting laborers and workmen. Production firms are giving way to warehouses. This process is particularly evident in cities like Aulnay-sous-Bois, Montreuil or Bobigny. It favors the development of the PS, whose modernization on the national level is one of the principal purely political causes of the difficulties being encountered by the PCF.

2. A new social life. At the same time the suburbs have been experiencing a profound change in their living conditions. In the suburban housing world there are juxtaposed the great entities, the cities. The traditional workman is rare there. The population--which is young--is rather made up of white-collar workers, wage-earners with unstable status (temporary) or unemployed, a large proportion of whom are immigrants.

At the same time, because of the level achieved by interest rates in the capital, many young households are pushed back to the border communes. The installation of the RER [Regional Express System] as an extension of the metro lines tends to accentuate this phenomenon.

The suburban cities, which yesterday were active and lively, thus have a tendency to drift toward becoming bedroom towns. This change affects even the new cities, as for example, Marne-la-Vallee. Consequently, associative life encounters more and more difficulties in its development. Political organizations do not escape the rule. Although the PCF remains the only party whose implantation covers the whole of the suburbs, its militancy has been weakened. In Stains, for example, participation by Communists in Party activities is estimated at about 10 percent of registered members.

3. The action of elected Communists is in part behind these changes. By humanizing the workingman's suburbs, by giving them green space and sports equipment, by conducting an active cultural policy, by improving housing, they have persuaded the social classes who would not have been there a mere 30 years ago to come and settle in the capital's red belt. In doing so, they have not necessarily strengthened their electoral base, quite the contrary. At best, these voters vote for the PCF when municipal management alone is involved, but are less likely to follow its orders in other elections.

The activity of the Communists, the support they give to social struggles within business firms, also serve as justification for a number of business leaders who have been decentralized in recent years, or who refuse to come and settle in the industrial areas put at their disposal by the elected representatives of the "red belt." This was the case with Brandt and Sonolor in Seine-St. Denis.

A New Landscape

Confronted with the new suburban landscape, the PCF has been unable to adapt. It continues to apply basically the same formulas that ensured its success before the war, without always admitting that today they may be ill adapted.

Originally, a municipality of the left in general and Communist in particular was distinguished on the one hand by its social and facilities policy, on the other hand by its intervention in protest struggles. It is found that in matters of pure administration all the municipalities, whatever their political orientation, were gradually aligned on the same standards. Right or left, they were endowed with a swimming pool or skating rink, they created vacation colonies or skiing lessons, day nurseries or homes for the elderly. The difference made by the voter is less sharp than in the past. All the more so because the disindustrialization process that is affecting the suburbs has brought with it increased fiscal pressure on the inhabitants. The cost of operating the facilities has not in fact diminished, while revenues have gone down. In addition, the PCF in selecting its municipal staffs, in appointing its new mayors, has favored the administrative side. In so doing, it has not contributed to affirming its originality.

The PCF is feeling the effects of this situation in a more less confused way. For that reason, it likes to develop the second aspect of its municipal policy: intervention in social struggles. The result is a propaganda pressure--posters, banners on the walls of city halls, tracts in the mailboxes--that brings on a feeling of lassitude, even of enervation, in one part of the population. There again the context has been changed profoundly since before the war, and the use of proven methods no longer necessarily ensures success.

One of the most ridiculous examples of the influence of routine was provided by the Dumesnil Brewery strike in Ivry-sur-Seine. In an attempt to oppose the closing of that establishment, the CGT [General Federation of Labor] decided to occupy the premises. The municipality immediately gave its support. The conflict was prolonged, occupation was provided on some days by at least as many permanent members of the PCF as wage-earners from the firm.

More seriously, the value of municipal engagement as an example loses a large part of its impact when the company's wage-earners do not reside in the commune. The support given yesterday by elected representatives was electorally decisive, because workers worked and lived in the same place. This is not the case today.

Hence the proceeding willingly conducted by the Communist leaders of the departments of the crown against the Paris federation of the PCF. The latter is accused of not assuming its obligations, of inadequately organizing the wage-earners in the firms, thus weakening the bases of Communist power in the suburbs. This was one of the objections to Henri Fiszbin when he was replaced as head of the Paris Federation by Mr Malberg.

The separation of workplace from place of residence, the evolution of a number of suburban communes toward the status of bedroom towns, brought a reversal of priorities at the level of the PCF's militant structures. Prewar, the local

cell took precedence, as testimony to the social-democratic heritage and a reflection of a way of life. Today the business cell is preferred. In fact it is in the workplace that the rank and file can be more easily contacted and brought together in meetings.

Confusion

On communal ground the rank and file Communist has seen his status change. The PCF's presence in city hall having been gradually institutionalized, he has become a kind of agent of municipal authority. Not only is he perceived thus, but he even "sees himself" that way. This evolution inevitably arises out of the confusion created in most of the old Communist suburban municipalities between city hall and the Party. A phenomenon strengthened by the fact that the PCF in these localities is in the situation of the dominant--even the single--party.

One of the most typical illustrations is provided by the city of Ivry-sur-Seine, which has been directed since 1925 by the PCF and which was Maurice Thorez' fief. The Communist section, which has about 3,000 members, is directed by a section committee, in which are found all the members of the municipal bureau (except one, who refused). Also, about two thirds of the members of the section committee are--directly or through their spouses and under various titles--salaried employees of the PCF* and therefore financially dependent on their loyalty to its policy.

Thus the Party is naturally led to revolve around itself. Its recruiting is largely a matter of family tradition. This phenomenon is observed in the first place at the level of the local leaders. The deputy from the district, Georges Gosnat, who by the way is PCF national treasurer, partly owes his position to the authority his father was able to acquire by managing the HLM office. As for the deputy's son, Pierre Gosnat, after occupying various offices in the organizations controlled by the Party, today he is one of the secretaries of the Ivry section. Another illustration of this process is provided by the Zellner family. Maurice Zellner presides over the Communist group in the Ivry city hall, even while carrying out his responsibilities at the level of the Val-de-Marne federation and occupying the position of assistant editor-in-chief of *ECONOMIE ET POLITIQUE*. Locally, his father heads the Party veterans and ex-servicemen and his mother is in charge of homes for the elderly. His sister is in the section bureau. His brother-in-law is secretary to Mr Gosnat. His younger brother is on the section committee.

This familial--and sometimes even dynastic--communism explains the hiatus created between the PCF structure and a population whose makeup has been profoundly changed. Consequently, the Communists give the impression that they are intervening from outside, that they are spreading propaganda. The classic scenario at the time of a "social struggle" has never varied: 1) the rank and file alert the elected representatives; 2) the latter arrive in a delegation and engage in negotiation; 3) the Party reports the action to the whole population by means of tracts.

*That is, either permanent employees or paid by the municipality or organizations actually controlled by the PCF (municipal HLM [Low-Cost Housing Program] office, etc.)

This is where the militant tends to become an agent of municipal authority and where his role is often comparable to that of a super social worker. The intervention to prevent confiscations and oppose bailiffs demonstrates it well. This form of action demonstrates the difficulty the PCF encounters in covering all the social categories. The support given to wage-earners who do not meet their indebtedness does not necessarily satisfy those who make sacrifices to honor their bills. It is the same with the PCF poverty campaign. On the one hand, by embarking on the search for evidence of poverty, by urging the most deprived categories of wage-earners to talk about themselves, the PCF militants once again are placed in an attitude of protection vis-a-vis the population. On the other hand, this step has hit the not inconsiderable portion of the working class that has joined the middle class in standard of living and that aspires to merge with it.

Who Stands Aloof?

It is very difficult to appraise exactly the electoral transfers produced by this sociologic changes. The PCF leaders in the "red belt" acknowledge that a fraction of the Communists defaulted at election time. Where are those members who do not travel to support their Party or who say they voted white?

The situation seems to vary depending on the communes. In Ivry, where the laboring tradition has special influence on the PCF, there are new strata of professionals and technicians who are encountering difficulties in integrating. The municipality had previously hesitated over architectural choices at the time the city center was renovated. It is true that some of the buildings developed were virtually colonized by the middle classes, among whom were PCF staff members. When a rent strike was started in these buildings, the PCF refused to support it, arguing that its electorate was not involved. It is true that the terrain of the conflict was especially delicate for the Party, insofar as the tenants blamed the municipal office of the HLM and, through them, the Party's very legend, the work of Venise Gosnat.

Several km from there, conversely, in Choisy-le-Roi, a city of more bourgeois culture which is not directed by the PCF, where since 1959, it seems, there have been more traditional proletarian elements that stand aloof. The Party appears to them to be too middle class. It is true that the personality of the mayor, Fernand Dupuy, a former deputy who did not hesitate in 1970 to support Roger Garaudy, may contribute to this image. The PCF, on the other hand, has managed in 20 years to go from 11 percent to over 50 percent of the votes in the most residential neighborhood of Choisy-le-Roi.

The greatest obstacle encountered by the PCF in its militant action in the suburbs is still the towns that now adjoin the historic communes. In the urban centers, even though the evolution of its sociologic makeup is more favorable to the PS than the PCF, the population remains stable and makes it possible to do implantation work. On the other hand, in the towns, rapid rotation of tenants limits the possibilities for organizing political groups. The Communists also feel disarmed in the face of the priority problems encountered by the social classes, among whom are a large proportion of immigrants: racism and violence. They have no immediate concrete answers to propose. What is more, the municipalities tend to perceive these entities as rather outside communal life, as marginal situations more to be endured than dealt with. Although the PCF makes an effort to be present in spite of

everything, this is often done out of fear of an implantation of the extreme revolutionary left. The "leftist peril" in these sectors sometimes goes as far as obsession.

In those towns, politics is most often limited to television. It is through television that information is acquired and opinions formed. Although the Communist vote is generally massive, this is of course because of a protest reflex, but it is also due to the personal impact of Georges Marchais. In the eyes of these classes the PCF general secretary has the image he wants to project: a candid, rough person, different from other politicians, not hesitating to put journalists in their place or cut a questioner short.

Growth of the Party March 1978 to June 1979



From the first round of the March 1978 legislative elections to the European election of Sunday 10 June, the Communist Party has grown, in percentage in relation to votes cast, in exactly half of the departments. The growth was from 0.1 to 2 points in 35 departments, from 2 to 4 points in 10 and over 4 points in 3 departments.

PEACE IN CORSICA SEEN DEPENDING ON TRIAL RESULTS

Paris LE FIGARO MAGAZINE in French 30 Jun 79 pp 42-45

[Article by Pascal Delobel: "Corsican Summer: The Weather Is Still Ominous"]

[Text] Two inscriptions in black paint on an EDF [French Electric Company] transformer proclaim: "Death to the French!" and "The Suitcase or the Coffin!" Every morning, dressed all in black, Angele, a septuagenarian war widow, goes on her way with her head turned away. Just as she regularly burns the FLNC [Corsican National Liberation Front] tracts she finds in front of her door. Independence seems so absurd to Angele: "What would we do? When there are no boats for a week, there is nothing to eat here."

On the marble plaque in memory of those from the village of Carbuccia, near Ajaccio, who died for France in 1914-1918, 33 names are carved. "A massacre," Jean Bellini, who has been mayor for 37 years, told us; his family alone lost more than eight men in the war. Also, when today his gaze falls on the autonomist flag that floats over the new house nextdoor, Jean Bellini clenches his fists. "Barely three years ago, when a house was finished they raised the French flag."

But what most worries the mayor of Carbuccia is the passivity of his citizens--250 in the winter, as many as 700 in the summer--in the face of the FLNC terrorists. "It is worse today than in the underworld. The people do not speak." The presence in the village of a dozen autonomists, mostly young people who have returned to the country, the flight into the underground of the mayor's nephew, who is suspected of being the chief of the FLNC for South Corsica, have stirred up a climate of suspicion here. "Omerta"--silence--has fallen on Carbuccia. A silence that up to now has been disturbed only by the plastic bombs implanted in the valley, in a bridge, a restaurant or a service station. With no one really knowing whether it was an act of terrorists', racketeers, or a simple act of vengeance against merchants. "Whatever it is, the people do not feel they are being protected adequately," Jean Bellini concludes regretfully.

Thirty km from there, in his office in the Ajaccio prefecture, the general inspector of police, Mr Ambrogiani, counts the arrests: 60 in several months.

More than a third of the FLNC troops, believed to number 140 persons would already be under lock and key. However, the terrorists' power to intimidate remains great. At the time of the last "dead city" day, all the merchants of Ajaccio obeyed and lowered their metal shutters. "How could they continue to have confidence in a French state that until now has continually abdicated?" a Corsican elected representative asks bitterly.

Not so long ago, the wife of a Bastia prefect would only agree to cross St. Nicholas Square escorted by a police car. More recently, the CRS [State Mobile Police] headquartered at the Grand Hotel are driven secretly, at night, to the Bastia airport, for fear, if they left Ajaccio the autonomists would "accompany" them to the plane. Currently, an embezzlement affair involving 500,000,000 old francs, to the detriment of the Semi-Public Corsican Agricultural Development Company (SOMIVAC) by one of the leaders of tough autonomism is having the great misfortune to come out into the light of day. Likewise, no one is any longer heard to speak of the case of Max Simeoni, who blew up a wine cellar before going underground in a car. Even more serious, the two young Corsicans who were arrested as they returned from training in the Palestinian El Fatah camps. That time it was the Quai d'Orsay that preferred to muffle the blow.

Demanding an Eye for an Eye

These examples could be multiplied to infinity by the man who talks as he marches in the Charles de Gaulle Square in Ajaccio. "Boss" of the antiterrorist network "Francia," this Corsican has chosen to demand an eye for an eye from the autonomists. "We would like to show them that although they destroyed, they could also be destroyed." "Francia" was born just after the Aleria events in 1975. "We were disgusted at the absence of reaction on the part of the government to the terrorism. So we decided to oppose this movement which was threatening to become more extensive and to degenerate."

So for four years, with about 50 compatriots, he responded to the autonomists, blow for blow. More than 120 counterattacks were accomplished. With dual orders every time: kill no one, but inflict the most material damage possible. The Simeoni know something about that; one after the other they saw their family home, Edmond's medical office, Roland's insurance office and the headquarters of their movement--the Union for the Corsican People (UPC)--fly to pieces. Several dozen other autonomists also know about it.

"Francia's" objective was a dual one: first, to show that all Corsicans were not with the terrorists. "Mainly," affirms its leader today, "we wanted to designate for the police, who at the time were unable to identify them, the well-known separatists." For that man, though, they were easy to recognize. "They were either arrivistes, or failures, or people who did not want to repay their Agricultural Credit loans and who saw in independence a kind of legion in which everyone would be whitewashed. Finally, we were convinced that many people had double membership: UPC in the daytime, FLNC at night. We forced them to dissociate themselves from the terrorists."

After ringing the alarm bell "Francia," since its response to the FLNC's blue night last March, has been cooling it. Before vanishing into the crowd its "boss" added, "Only efficient work by the police and a political willingness will put an end to terrorism. But it would not be necessary for the forces of order to go to sleep again. 'Francia' is not dead. We are waiting now for the FLNC to make the mistake of killing."

Already last 8 December, on the eve of Raymond Barre's arrival in Ajaccio, autonomist militants wishing to settle a personal account almost succeeded in provoking the irreparable. On that day Maj Jean Bartolini was seriously injured in the explosion of his car, whose horn had been booby-trapped. "I do not want to be prefect of Ireland," exclaimed Yves Bertrand Burgalat at the time.

Also, the government, which has not forgotten that the autonomists' early demands were well-founded, has been engaged in a sprint since Aleria. In 1979, 466,000,000 new francs will be injected into Corsica by the state--24 percent more than in 1978. This is the equivalent of 2,020 francs per inhabitant. "Go and tell that in Lozere!" they are saying today in the Ajaccio prefecture. Well, that sum does not include the salaries of officials, retirement, multiple pensions, social aid of all kinds. "Here, 90 percent of the people are dependents of the state. Imagine the panic if the mailman were to stop going in-to the villages," says a Corsican, disgusted with the FLNC's anticolonialist talk.

The Bombing of Second Homes

However, it is true that the state since 1975 has invested a great deal of money on the island; it would be excessive to say also that it has always been used strictly as it should be by the Corsicans. One person who had transformed himself into a shepherd and asked for a loan of 25,000,000 old francs to reconstitute the herd, kept the money and now drives around in a Mercedes. A cannery in the Bastia region that cost several hundred million old francs has never manufactured a single can of food. "Consequently," says a Bastian business man, "much of the time money hasn't solved the problems."

Nor has terrorism. After Aleria, the tourist season was catastrophic. While the number of tourists increased by 25 percent every year, in 1976 their number barely reached the 1974 figure. Now, after a recovery in 1977 and 1978, 1979 is again threatening to be gloomy. Since April one navigation company has already recorded a decrease in the number of passengers. Just as it is not easy to persuade tourists to spend a weekend in Belfast, the bombings of second homes does not encourage people abroad to come and build the house of their dreams on the island. Between 1974 and 1976 the number of new second homes declined from 1,800 to 550, to go up again in 1978 to 800.

The same thing applies to new hotels. So that last year 40 building firms had to close their doors. As for those that had already purchased land, instead of building and in order to gain time, they planted trees. Finally, by driving out the pied-noirs by racketeering in order to repurchase their land at a lower price, they succeeded in tampering with the vine. Of the 18,000 on the

Beautiful Island, 8,000 have chosen to change shores, to go to Nice. Corsicans are beginning to miss them. "They contributed a certain dynamism in the island," they say.

Seated around a table on the terrace of a cafe in St. Nicolas Square in Bastia, young students, "employed singers" in their spare time, who are taking turns attacking their elders who, "too old, did nothing," the divers' jobs "that are left for them," "the repression by the French state," foreigners "who have already bought up the whole coast." "When I see that Corsica doesn't belong to use, I am ashamed," proclaims Toni, who adds, "Paris should not underestimate the prestige of the FLNC among young people." In several days 7,000 Corsican students will come home to spend their vacation on the island.

A French-style Regionalism

Already, the facades of the nationalized banking establishments in the great square of Bastia have been covered with posters representing a Moorish head which acts as a counterbalance to the French flag. Its legend is "Corsicans, Tomorrow you Will be Tried." A little farther on, the black and white flag of the UPC headquarters flouts the prefecture, right in its face. To explain the apparent silence of the Simeoni, it is murmured that Edmond, who is in favor of an internal autonomy, is being held in reserve by the Republic, to play the role of last resort. Of course, at the time of the 1969 referendum 64 percent of Corsicans declared themselves for a French-style regionalism.

But, having been dropped by some of his partisans for softness, can Simeoni hope to return one day from his desert crossing? "No," an elected representative from Bastia believes. "Like Corsica's contours, destinies rise and fall. Last year, if anyone had dared to say anything bad about the Sporting Club of Bastia, he would have been torn to pieces. Today everybody makes fun of it. Well, it's the same thing with Simeoni. Three years ago he aroused the crowds. Now, no one even looks at him any more."

The only Corsican elected representative to be dissociated publicly from the Simeoni cause at the time of the proceedings in 1976, Francois Giaccobi, the chairman of the general council, is clear today. The appearance of 21 accused persons before the State Security Court has aroused scarcely any emotion up until now in the Beautiful Island. "And that is for a very simple reason," he explains, "contrary to what the visionaries say, Corsica has nothing to do with Algeria." Are they not saying that Corsicans themselves have colonized the continent? There are over 500,000 living there at present. Against 160,000 in Corsica. But to Francois Giaccobi, those choices must be made seriously, for there is danger of allowing people to do whatever they want. "Of course, in Corsica authority has never been loved, but it has been respected. So the French state has to enforce the law."

In Carbuccia, the village settled in front of about 50 television sets, every evening they follow the account of what the mayor has already called "the Paris movie." "It seems they don't want to answer," sighs Angele. To her as to many Corsicans, too light a sentence would mean that the state has made a mistake again, that it had no evidence. In that case, it should not have arrested the defendants. Good sense it is not!

LEADERS, OBJECTIVES OF 'NEW RIGHT' EXAMINED

Paris LE POINT in French 2 Jul 79 pp 27-30

[Article by Claude Sales: "To the Right, Something New"]

[Text] The recession of leftist thought, the economic crisis, and the "decline of Europe" are giving birth to an intellectual "new right." What is it? Who are its representatives? What are its intentions?

How quickly political landscapes change! Remember. A year ago, after the leftist defeat in the parliamentary elections, there was a collapse of myths, an end to utopias, a full-scale laundering of ideas. After having remained on the left for several years, the pendulum resumed its course, swung back toward the center, and, so they say, had every likelihood of remaining there. Sensible France, resigned to the inevitability of the economic crisis, adopted the virtues of moderate liberalism. In the wake of the European elections, Valéry Giscard d'Estaing himself acknowledged the victory of the right center.

And suddenly, we discover that the pendulum is continuing on its ideological course. And that perhaps the right center is only the simulation, or the screen, or the indication of a more rigid, more precipitous right than the gentle slopes of a peaceable Giscardism. This is the "new right," as it is called by those who claim kinship with it.

For a long time it moved slowly, underground, marginal. Today, it is attracting notice in its new garb and asserting itself with no inhibitions. It was not so very long ago that the "new right," without being ashamed of itself, could find only more or less clandestine magazines and isolated groups to express its views and defend its arguments. Today, it has its choir leaders and its policies, its theoreticians and its publicists. Finally, its adversaries—who were considerably varied—used to ignore it. But they are discovering that there is some substance to it. Excessive fears? False alarms, which would wrongly lead to the two wars, used the depression and the "decline of the West" to lay the foundation of fascism? Let's see.

"What!" people will say in amazement, "this 'new right' came into view suddenly?" Emerged fully armed, with a high opinion of itself, and occupying (or beginning to occupy) in people's minds the space left empty by a left which was divided over deeply shaken certainties? No. It has a previous history.

In fact, three men, representing three institutions, personify this "new right." And it is from their meeting, or from their convergence that the "new right" has taken its strength and its coherence. The first is Alain de Benoist. At 35 years of age, this philosopher, who completed his education by studying law and biology, is the uncontested theoretician of this trend of thought. A glutton for ideas and for books, he is the public letter-writer of the "new right." A columnist—among others of strongly diversified opinions—for FIGARO MAGAZINE, where he is responsible for cultural items, he also edits the sumptuous review, NOUVELLE ECOLE, where he himself oversees the make-up and layout. There is almost no issue of ELEMENTS, the notes of GRECE [European Civilization Research and Study Group]), in which he doesn't sign his name to one or two articles.

Everyone is familiar with LE FIGARO MAGAZINE. On the other hand, NOUVELLE ECOLE, ELEMENTS, and GRECE are still private. However, it is 10 years—1968, just before the "incidents"—since they were born, instruments and spokesmen of a muscular extreme right, suspiciously calling to mind with some of their themes the evil memories of the pre-war and wartime years. But let us go on.

"In May 1968, I was on the barricades like everyone else," Alain de Benoist confides. "I was an attentive observer of events, but I thought that they were ephemeral." Paradoxically, that is where the "new right" was born, "new in comparison to the old reactionary and conservative right." New also like the "new left." "I am speaking here," states Alain de Benoist, "of abstract leftism which rejects organization and looks for quality. Our analyses are often the same as theirs, even if, obviously, we draw different conclusions."

During the years 1968-1970, Alain de Benoist, while editing the magazine NOUVELLE ECOLE, which will be as it were, the general organ of GRECE, took part in the creation and development of GRECE with Pierre Vidal, a professor of history at the University of Saint-Etienne, and Jean-Claude Vallat (now editor-in-chief of FIGARO MAGAZINE). A disciplined and well-structured school of thought which intends to react firmly against anything which in its view corrupts French society: Judeo-Christianity, Marxism, anarchism, unbridled liberalism, etc. Strategy: to institute cultural power, which is thought to be much more important than political power.

A small group at the time? Perhaps, but very well organized with its circles of thought in the provinces and in some large schools, with its well-documented files, and with a knack for riposte or manipulation worthy of great strategists.

In any case, the movement has grown throughout the years. According to Alain de Benoist, NOUVELLE ECOLE now has a circulation of between 9,000 and 13,000 copies, of which 20% is to foreign countries, "including Eastern countries." As for GRECE, it has between 4,000 and 5,000 members, and its bulletin, ELEMENTS, has a circulation of between 7,000 and 8,000 copies. This is a very high figure for this type of magazine. But success isn't going to the heads of these editors. They insist upon remaining a cultural movement. "I do not believe that politicians are sensitive to ideas," comments Alain de Benoist. "In fact, it is very difficult to mix theory and action."

That isn't what Yvan Blot and his friends at the Club de l'Horloge [Watch Club] think. They are the second personage and the second institution involved in the "new right." In their view, theory and action go together. Moreover, how it could be otherwise for these young, high ranking civil servants and graduates of polytechnical schools, all of whom belong to the majority, RPR or UDF, is of little importance.

In 1968, Yvan Blot and his comrades, Henri de Lesquen, Didier Maupas, and Philippe Bacon were not on the barricades. Yvan Blot has even said, "At the time I tried to breathe life into the resistance." In short, they have never considered themselves of the left nor leftists, and if, in 1974, at the Ena they established the Club de l'Horloge (the room where they met had a superb clock), it was to fight against the powerful CPDT branch of the time. At that time, there was just a handful of them. Today there are 120 who are between 25 and 35 years of age, of whom one-half came from Ena, one-fourth from the X, and the rest from other educational institutions including three or four from colleges of education. In addition: there are about 700 sympathizers. They are--as we can see--far less numerous than the members of GRECE, but they have the advantage of frequenting the paths of power. Five or six of them are from ministerial departmental staffs. As for Yvan Blot, he is the right arm of Alain Devaquet, secretary of the RPR. Do they have contacts with the Elysee and Matignon? They don't deny it.

Their principal activity is to produce documents or books which are likely to promote this new thought, to nurture the thoughts of politicians (they helped Michel Poniatowski with his work "The Future Is Written Nowhere," and to more or less see that all of this is translated into laws of orientation. Thus, after having written "Roots of the Future," they have just published "The politics of the Living" (a philosophic compilation founded on biology), and they are preparing several documents concerning the economy, national defense and education. "The latter document," they say, "will be a Langevin anti-plan" (a plan for the democratization of education developed at the end of World War II). "The French people must remain a community of free men and must not become a mass of welfare recipients...", we read in their introductory brochure. Oh! the lofty thoughts of highly-placed officials who are themselves assured of the security of their education, a diploma and employment.

But this movement of ideas would undoubtedly not be crystallized without a third man: Louis Pauwels. The editor of FIGARO opened the doors of his journal to this current of thought (which is found there next to other currents which are quite different).

Was he convinced at first by Alain de Benoist, the intellectuals of GRECE, and the politics of the Club de l'Horloge? In his FIGARO office, under the stone gaze of an indifferent Asiatic goddess, Louis Pauwels answered that question with this phrase: "I was solitary, I discovered some sons, I am solidary." It's true, the author of "Magicians' Morning," the founder of the PLANETE was "solitary." On the map of French intellectuals he was always considered a marginal personality, a sort of alchemist melting esoteric tradition, modern science and new paganism in the same crucible. He never concealed the fact that he leaned somewhat toward the right, but the right mistrusted him. As for the left, it usually ignored him.

Here then is Louis Pauwels today, a "solidary" of the children of the "new right." He is even more: he is their herald, their publicist. What seems important to him is that, finally, "this new current of thought has found a voice." "The French right," he explains with passion, "had only its liberal-bourgeois purring. It was the old right of the army and the church, the stupidest in the world, reactionary and righteous. And suddenly, we discover that the right can become remarkably intelligent..."

In spite of all this, doesn't he fear that the themes transmitted by this "new right" will lead to the rebirth of a certain amount of racism? He answers, "No, absolutely not."

Racism, fascism, neo-Nazism, and antisemitism. Such are, in fact, the accusations most frequently brought against the "new right." Of course, its representatives defend themselves, and swear by all that's holy that all is foreign to them. And it is true, besides, that in these groups where the "new right" is personified, all of the members don't adhere to its ideology to the same degree. Far from it. Some of them see therein only an opportunity to reflect on our society. Others are only seeking a means of getting out of the rut of traditional thought. Because what this new right proposes, it says, is "another thought," capable in these times of crisis of mobilizing Europeans concerning their own values. But it would not want to exclude in any way other philosophical currents. For example, Louis Pauwels declares firmly: "I am against Judeo-Christianity, it's true. But I have no intention of leading the anti-Christian battle... I am for the coexistence of all currents. The world is worth nothing without diversity of languages, cultures, countries and races. The right to differences, to specificity as opposed to all egalitarianism, that is what I support."

And when Alain de Benoist is asked about the grounds for his thought, he answers, "I am antireductionist, in other words, I am against the reduction of man and of social reality to what it is. Because, for me,

reductionism is totalitarianism, both Hitler's and Stalin's. And what I fear today is quiet totalitarianism, the quiet elimination of all differences by a commercial society. Look! All cultures are becoming extinct, dying, because of tourism, the dollar and Coca-Cola." Finally, the civil servants and the "X's" of the Club de l'horloge are also preaching the right to be different--words to which the whole world might subscribe.

However, for those who read their publications attentively, some uneasiness persists. Obviously there is a hiatus, a sort of contradiction between the neat words and the written texts. It's true that all of them do not develop the same themes. But one finds in many of these publications the same disquieting tone steeped in the sublimation of heroes, of the elite, of the aristocracy, of an exaltation of the distant European past of "Celtic forests" and "Germanic plains," of a recognition of the "voice of breeding." Themes which resound like an ideology founded on race.

Isn't the article on eugenics which appeared in 1971 in NOUVELLE ECOLE a cause for concern? We read, among other things: "The list of individuals who should be forbidden to marry should include not only cripples and diseased persons, but also idiots, lunatics, and criminals." And isn't this publicity in the GRECE magazine, ELEMENTS, "to organize the return of intelligence," an invitation to a rather strange ideological encounter?

In all of the texts published by the "new right," a few important axes seem to emerge (although they are not asserted with the same force by each of them):

First, the rejection of Judeo-Christianity. The theme is quite pronounced with Pauwels and GRECE, but not with the Club de l'Horloge. Judeo-Christianity is challenged, not for itself, but because in some way it has corrupted the old European and pagan civilization. First of all, by turning the taste for holy things to its own profit. Next, by establishing "egalitarianism" among men. From this point of view, Marxism is considered a phase of Christianity.

But by considering the Jew like the other--even positively--doesn't it in some way lead to racism? Moreover, the exaltation of the myth of an Indo-European civilization irresistibly calls forth the Aryan myth.

Secondly, the return to the ideology of our earliest ancestors, as it was brought to light by the historian Georges Dumézil, so that Europeans could rediscover "what their own foundations are, what is specific to them in the bosom of humanity." In "Renaissance of the West," Alain de Benoist summarizes this ideology this way: "the Indo-European principle par excellence, that which was perceived as a condition of good cosmic harmony and good social harmony, postulated the pre-eminence of the sovereign and the priest over the warrior, and that of the warrior over the producer-consumer." He adds: "Originally, in the Indo-European society, the learned and the kings controlled the strong, who controlled the wealthy." Very

well. But if the Revolution of 1789 had a meaning, it is that it asked the question, "Who made you learned? Who made you king?"

Finally, and especially important is the rejection of "egalitarianism," which is the source of all of the evils of our present society. In "Les racines du futur" of the Club de l'Horloge, we can read, "Egalitarian Utopia constitutes in itself a powerful and universal lever of social dispute; all of society has inequalities, and there is scarcely any economic or social problem which cannot be understood from that angle. Therefore, to accept as a dominant social value the aspiration to equality is to arm oneself with the absolute weapon against society."

Why not? But isn't it rightly the honor and the strength--until now victorious--of Western societies which is being questioned?

Here then is the "new right," simple and uncompromising, but wishing to be equally close to the presently established power (Giscard is freely quoted in the texts).

"Yes," acknowledges Pauwels, "we must establish this "new right," we must make it be understood. But now, I hope that, in the newspaper a debate between the "new right" and the other currents of thought will be established." Actually, LE FIGARO MAGAZINE, which already has many contributors, who do not belong to the "new right," has contacted in addition, several right center and left center Parisian academics. This without great success for the moment.

However, the debate will take place. Everywhere already, in the political world as in the intellectual world, on the right as well as on the left, many people are concerned.

The primary adversary is obviously the left. For several years the left had considered this ideological right as a negligible quantity. The less they talked about it, the better. But today, the left is bringing up its heavy artillery with, in recent weeks, a front-page article in LE MONDE, "The New Right Is Becoming Established," followed 2 days later, still on page one, of a descent in flames "of chapters written by Louis Pauwels and Alain de Benoist in "Renaissance de l'Occident." It is obvious that the offensive will continue.

But the liberal right is also mobilizing. For example, in French academic clubs (3,000 members and 5,000 sympathizers), which bring together academics favorable to the majority. Their president, Michel Prigent, stresses the disgust which this "new right" inspire in him. "I do not prostrate myself in front of Apollo every morning," he says ironically; a perfidious arrow in the gardens of neopaganism. And last Thursday, one of the principal powers of the Cercles, Jean-Marie Benoist (he simply has the same surname as Alain de Benoist), assistant to Claude Levy-Strauss at the College de France, launched the Forum 1984 Club, a sort of anti-Club

de l'Horloge, for the defense of the grand liberal tradition. "We are," said Jean-Marie Benoist, who ran against Georges Marchais in the last legislative elections, "against red totalitarianism as well as brown totalitarianism... And there is no reason why liberal thought should allow itself to become annexed by the extreme right."

And here again the "new philosophers" are entering the battle. Bernard-Henri Levy, author of the "Testament of God" is "mad with rage" that Maurice Duverger, in the second article in LE MONDE, could have considered him the continuer of Maurras and thus assimilate him into the "new right." "Well," he says violently, "I was among the first to denounce it, both in my book and in several interviews, and now I am accused of being a part of it." And he inveighs against the "tiable wanderings" and the "cult of energy and energy."

There are also scientists and historians who are upset about the fact that "in the name of recent discoveries of modern science, in the name of 'models perfected by biology,' they claim to justify the classification of men into hierarchal categories." It is for this reason that Albert Jacquard, a population genetics specialist at INED (National Institute for Demographic Research), and Leon Poliakov, the celebrated author of "Breviary of Hate," and a specialist in the history of racism, have decided to launch an investigation into this subject. Finally, the Christians are alarmed. To tell the truth, they were among the first to denounce the ideology of GRECE and the NOUVELLE ECOLE, several years ago. The latter replied that only the righteous were against them. It would be difficult to uphold that statement today. In its March issue, the Catholic magazine ETUDES, which cannot be suspected of righteousness, published a brief, but stern, article on the "intellectual right." The author, Father Paul Valadier, concluded, "What acts of desperation and vengeance will they not risk to involve individuals and groups to convince them that, 'naturally,' aristocrats are called upon to rule and slaves are condemned to obey? And what if this idea of equality, even secularized, were what permits man to perceive himself as transcendent, not only to growth, but to all forms of totalitarian confinement?"

To answer these attacks, the militants of the "new right" readily denounce the intellectual terrorism of which they are the subject. But who would dare to speak of a plot in the face of a coalition of adversaries who are so different from one another?

Formerly, in the thirties, the French intelligentsia knew such temptations. The depression, the first Moscow trials, the decline in European population, its historical eclipse, and fear of war had caused this return to an uncertain past in the name of science and high moral standards. And here we are again. Could history be repeating itself?

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CSO: 3100

HOEKSTRA ADDRESSES CPN CC ON DOMESTIC, EEC POLICIES

Amsterdam DE WAARHEID in Dutch 4 Jul 79 attachment pp 1-3

["Text" of speech by Henk Hoekstra, CPN (Communist Party of the Netherlands) chairman of the party administration on 30 Jun]

[Text] Following we publish the text of the speech given by CPN Chairman Henk Hoekstra at a session of the party administration on 30 June in Amsterdam.

After months of great party activity it is necessary to make a sort of intermediate balance. Not to come to final conclusions already now and to record them in a resolution, but to assimilate experiences and to reflect on further steps which must be taken by us. That does not mean that guidelines cannot be given already now for our taking action -- for that matter, developments require fast reactions by us.

This introduction therefore is a contribution toward all of that, also primarily in order to come to effective action and consultation on the basis of a number of first analyses. It is of course clear that in that we start from the congress decisions and their results and that we extend them, as it were, toward the 27th congress which shall have to take place next year.

I

In the first place it is necessary to discuss the results of the large mass movement against the government's social policy, the campaign against Compass '81. When we speak about results, we are referring to the high point in the campaign, on 23 June, but also to the totality of actions leading up to 23 June.

Assimilation of experiences is of particular significance due to the future developments which will take place and it is necessary because rightists in this country will go all out to push through their program of barely surveyable deteriorations.

It is certain that the first result of the anti-Compass campaign is a great victory of our policy and party-politics. With it very favorable points of departure have been created for further aggressive opposition against the government policy, for coalition forming and for the creation of progressive alternatives.

The anti-Compass movement, in which communists were among the most important organizers, the most important contributors of ideas, has become an un-erasable success. It was indeed a touchstone for the elaboration of our ideas.

The results must not be a one-time occasion. They must be put to use for the entire further development of the labor movement in our country.

The 23 June demonstration has made an enormous impression, also in view of the quite spontaneous reporting via the NOS [Netherlands Broadcasting Foundation] and VARA [Workers Radio Amateur Association] radio. The preparatory of the demonstration and of the entire day was an event in itself. Four thousand people of all kinds of progressive hues called for participation. A form of coalition surfaced here of a very original nature, with a kaleidoscopic appearance.

The division meetings -- in which primarily the officers, the most active section, took part -- and the demonstration afterward in blocks of participating groups, furnished a unique picture. Precisely because of that it became clear who all the participants were.

All groups were clearly recognizable, had their own input and put their own demands forward. That determined the high level of this demonstration and of the preparations preceding it.

It is a very important fact that many new forces became active in cooperation with older ones that have played an important role with their experience. This creates a guarantee for continuation and expansion of the movement in a continually ascending line.

The result of this movement must certainly be linked to the action of the party as such, with its leadership and the policy worked out by it. The picture of CPN activity has become clearer during the past months. It embraces the struggle for peace, the struggle for democracy and defense of national independence and the struggle for social rights, against crisis and unemployment.

Precisely through the action of communists the necessary link is made between these great current questions. Confirmation of the importance of the CPN and recognition of its role is absolutely essential -- on it further progress to a great extent depends. If the party is not clearly recognizable in the movement then a chism will arise between action readiness on the one hand and political insight on the other hand.

The FNV [Netherlands Trade Unions Federation] demonstration on 19 June was a reaction to the extent and depth of the anti-Compass movement; and indeed a just reaction, for those who would not react would be swept aside. It was interesting that a sort of cooperation arose in the period in which both 19 June and 23 June had to be prepared.

It is clear that the preparation of two demonstrations in one week was an enormous task for the activists, especially also because the formal handling of the matter by a number of union administrations can hardly be seen as a contribution to mass action.

All these experiences are of great importance for the future, especially in order to give good substance to the excellent initiative toward the calling of a great social forum, emanating from the mass movement, directed against the social policy of the government, but also directed toward the creation of a /joint progressive alternative/ [in italics].

For something like that, favorable conditions have now been created, but nothing more. A lot of further work has to be done on that.

Here a meeting point could come into being of different currents from the labor movement, which has a much wider range and is much more versatile than some party programs make it appear. Thus a debate on joint opposition and on the alternative can be developed.

A joint desire must exist to discuss with each other across lines of division, to look for new ways emanating from the movement and the demands posed by the workers, for the establishment of a social-economic policy which is aimed at that and not at the multinationals and at the financing of the continually growing armament.

In action, we answer the many questions asked of us and which indeed must be answered.

For example, there was Max van den Berg's letter, already dealt with by us, to the branches of the PvdA [Labor Party], which gave a distorted picture of our standpoints with the objective of keeping socialists from cooperation with communists, or of disturbing it where it had already originated.

Van den Berg's letter shows that this "grassroots" cooperation is the only fertile one at the current stage.

The PSP [Pacifist Socialist Party] adopted a rather dissenting position against the movement around "Compass '81 Must Go" on the eve of the 23 June demonstration, because it was said to be primarily a collection of discontent without perspectives. This is a very short-sighted, sectarian, in fact paternalistic attitude toward the scope and substance of the movement. But we must go on, action imposes its own demands, has its own dynamics, poses new questions. The mass demonstrations first of all show that a new course has to be taken and that very active forces exist for that among the population.

What is the situation however?

Within the labor movement various alternatives are being worked on. That of the CPN is embodied in the IPSO [Institute for Political and Social Research] plan "For Employment and a Better Existence." Among socialists profound differences of opinion exist; therefore one can hardly say that what was put forward in the Den Uyl note is the socialists' one and only alternative. It must be said that the trade union movement, the FNV, is too passive in this respect. Some of the leadership wants to follow Den Uyl's ideas. Others have no interest in that and know that if those ideas should be applied in practice, they certainly would encounter resistance by the trade union movement, that is to say the members and officers. Foretastes of that have already been given in the period of the Den Uyl-Van Agt cabinet.

Within the labor movement there is thus an enormous discussion taking place on the direction.

Dozens of economists have now also involved themselves in it, economists of a new type, who in fact are thinking in our direction with their views: defense of the standard of living as crisis abatement. Our campaign leaders also think in that same direction: no lowering of the standard of living, no interference in the CAO [Collective Labor Agreement] negotiations, doing something about the rich and armament, no industry closings.

A certain clarity has to develop in this situation. Precisely because a community of interests exists on the rejection of Compass '81, this also has to express itself in the desire to search for a /joint alternative/ [in italics]. At least one should want to discuss and polemicize on that. Even though disputes exist, the main dispute is with the right. The disputes within the labor movement must be bridged -- that is leftist or progressive majority forming.

We are being asked, precisely by people who are participating in the action, not only to protest, but also to give a view of the future. And justly.

The reproach that we would not have an alternative is unjust, witness our congress and the IPSO plan. The question is being put forward: would not a compromise be possible -- when we talk about an alternative and the discussions in the labor movement -- and what is the CPN standpoint on that?

Of course the reaching of agreement would also necessitate compromises, without having to abandon individual objectives for the longer term. Who will dispute that? But the question is of course: where is that compromise situated? Surely that can only come about by accepting each other's own identity. That is not something which is determined in private.

An acceptable compromise is not possible through unilateral negotiations with the right by eliminating the left, that is to say the CPN. The reaching of an acceptable compromise is determined in part, or even primarily, by action, by mass movement, by the trial of strength which occurs there and the lessons which have to be drawn from it.

That undoubtedly is also the significance of the movement against Compass '81. Here a platform is being created for unity of action and for discussion on an alternative -- a platform which so far has not existed as a result of anti-communism and certainly also because of sectarian shortcomings on our part.

The curious aspect of the current situation is that whereas the CPN now is taking initiatives to make openings, precisely those who criticize us want to slam the door shut again.

But the mass demonstrations are going in another direction -- also our thinking and that of many socialists and other progressive forces. This direction must take the lead; it is the direction of a strongly combative, leftist or progressive majority forming of action.

We are prepared for discussion, for serious and positive confrontation of our ideas with those of others on as large a scale as possible, on television and radio; on the opposition, on alternatives, on leftist progressive majority forming.

The campaign: "Compass '81 Must Go" has taught us that coalition forming requires especially the standing together of communists and socialists and that that will succeed if it is directly connected with the interests, demands and activity of the people.

In that, the CPN has to have its own input, conserve its identifiability. But first of all the communists themselves must be convinced of that.

Therefore it will be necessary to create clarity on the role of the party in the movement, and very particularly in the movement against the social policy of the Van Agt-Wiegel government.

Is it tactless to speak in that context about the ideas of the CPN? We want to continue with broad cooperation, but part of it should be the CPN's acting openly for its ideas and policy. We would wish that also others in the labor movement judge our standpoints openly and fairly, but that is of course not possible if we hide our light under a bushel basket. Some people suggest that communists always want to "appropriate" actions for themselves. No one who participates in actions will be able to deny that we would be able to assert our rights. The urge for that becomes irresistible when others want to overpower, distort and abuse actions for misplaced personal popularity. No one can deny that the mass media often play a sinister role in this.

Therefore the reproach that communists want to appropriate actions for themselves is hypocritical and in glaring contrast with actual practice.

We are indeed willing to openly bring forward, that is to say put up for discussion, our views and objectives -- and our action emanating from it.

Of course we do that convinced of our insights, but which are also open for improvement, for honest criticism which emanates from knowledge of our standpoints and not from suspicions or gossip by others.

Therefore we will never obscure, belittle or hide our standpoints and our role in action. It must be clear that all of this demands improvement of the quality of our work. The struggle we wage here in the Netherlands is unique, absolutely Dutch. The roads we should take under Dutch relationships demand a maximum in individual thinking, acting and inventiveness.

II

The European Elections fell in the midst of severe clashes with the government policy. The people were busy with their demands, their action, their struggle against the nuclear bomb, for wages and against Compass '81. Via the mass media, everything was done to strip these elections of their significance and to obscure the big questions which were up for discussion.

Only the CPN has dared to speak of the true European problems of this period, that is to say the struggle against the German striving for domination, against the multi-nationals, for defense of democracy, for detente in Europe -- and for the uniting of combative people in the EEC countries for these purposes, for the struggle against crisis and unemployment.

This activity by our party was absolutely essential and has prevented these elections from being entirely obscured in dangerous brooding about European integration and the abandoning of national identity for the sake of "European politics" and "European armament."

Already during the election campaign it became clear how great the aversion was against EEC politics. Then gradually a shift was made to a campaign of indifference with the objective of keeping opponents away from the voting booth so that the European parliament would become the playground of monopolies.

In our country that was of course directed against the CPN, but also against the PPR [Political Party of Radicals] and the PSP.

This intention still had to fail, however, because the communist movement is an international factor, also within the EEC.

Of course it would have been better if the CPN also had been part of the communist representation within the European parliament. That would have fitted in with the true political position which our party occupies nationally as well as with respect to its input in the international communist movement, in the struggle for peace and against capitalism. It would also have fitted in with the versatility of communist parties in Western Europe, a versatility which is coupled with agreement on the main issues.

But our connections with the PCF and PCI, amongst others, are good and have strengthened themselves to such an extent that our views also will come up for discussion in the European parliament via the communist representation.

The social democrats of the Vondeling type have sharply turned against us, and have avoided any debate, have behaved themselves like haughty Europeans, flirted with the CDA [Christian Democratic Appeal] and have propagandized that the CPN would not get in. They omitted the fact that there would be a communist representation in the European parliament in any event. What is the result? The representation consisting of 43 communists in the European parliament is larger than that of the social-democratic parties from the Netherlands, Belgium, Luxembourg, Denmark and the United Kingdom together! Thus there is no basis whatsoever for Vondeling's haughtiness.

With respect to elections in our own country it is an established fact that the EEC champions have received a blow as a result of an as yet passive aversion among the electorate. At that stage people preferred to look at what could be achieved by doing nothing. Barely half of the voters voted for the parties from our country which are seated in the European Parliament. Therefore that "representation" lacks any right to speak on behalf of the Netherlands.

With respect to our party, the picture of the prior elections is maintained. We are engaged in an enormous operation to activate voters against the current and to win over for us at least the most conscious ones among them. Our propaganda therefore was purposefully directed toward finding the way to the masses through those most conscious and aggressive. The results must be compared to that. It is going slowly but surely. There is a sharp contrast between election figures and the faith that communists in action undeniably win.

We must not acquiesce in that and must not accept this picture as a sort of established fact. It is true that the masses are reached through the mass media which are monopolized by a few currents. Our approach to the masses -- propaganda for our party politics -- happens to go via more complicated means. We must assimilate the experiences from the election campaign, we have only just started to test new forms and more is needed in this area.

It is certain that the defense of parliamentary democracy in our country makes it absolutely necessary to strengthen the parliamentary position of our party as the most accepted, most combative representation of the labor movement.

And if we book progress in a number of areas, we must investigate precisely how that result was achieved there and transplant it elsewhere. The progress in Amsterdam, Utrecht, Delft and East Groningen is therefore very important.

Progress is occurring there where our party is most clearly visible to the population, there where it exists, functions and is active, there where

also new forms of propaganda are wielded with assimilation of old experiences. It is necessary to strengthen the party in scope, depth and quality of the work.

The election result has also demonstrated what the special significance is of the relation of our party to the PPR and PSP. That will demand further studying. That relation must never be of a sectarian nature. In that respect the relation of the PSP with regard to the Compass '81 movement must be shelved. We want to search for open-ended relationships, for mutual relations which are sensitive to and react to the impulses of currents from the mass movement and in which everyone is involved, especially socialists and progressive people from other circles.

III

It is certain that we must also keep the international picture in mind in our activities. The situation in our country cannot be separated from that. As to the development in Europe we see two tendencies. On the one hand we see that the rightists are making a grab for government power; that was the case after the last parliamentary elections in the Netherlands, the United Kingdom and Luxembourg, while in the FRG the rightists are trying to do the same thing with all their energy, after they stimulated a similar course of events in neighboring countries. That rightist drive in the FRG undoubtedly can create great tensions in Europe.

It cannot be said that the entrance of rightist governments is in agreement with election results. Certainly that is not true in the Netherlands. In the United Kingdom election results are obscured by the absolutely undemocratic voting system there. The British two-party system furnishes a truly disheartening example and a warning against changing the electoral law to that effect.

What is the background of the rightist pressing for government power in various Western European countries, against which the social-democrats do not oppose themselves effectively because they give more thought to concessions than to cooperation of all the leftist forces? The background is the fear for the second tendency, that of /radicalization of the masses/ [in italics].

Hence the fact that everywhere that the right is governing, attacks are undertaken on democratic rights, on workers' organizations, on the trade union movement and its rights. Intimidation of anyone who dares even lift a finger, is not shunned in doing so. This is very particularly directed against developing movements such as those of women, of youths and of the unemployed. In this phase the rightist social-democrats are not considered to be dependable custodians, especially also because within social-democracy the way is being paved for currents toward the left under the influence of the mass movement. That is certainly the case here in the Netherlands.

Fear also exists among imperialists for the consequences of their own contradictions of which the oil panic is an example. A sinister comedy is being acted out around the oil scarcity which must force every individual to economize on driving and heating. Everyone knows by now that this has hardly any influence on the total energy consumption. But behind this comedy hides a bitter struggle between the multinationals, the imperialist super powers, on the division of the still existing oil supplies. Simultaneously the people are made ripe for the assault of new waves of price increases of oil and gas with an appeal to scarcity.

The struggle between the imperialist super powers has serious consequences. Here lies the cause of the lingering war threat in the Middle East. Here lies also the cause of the fierce neocolonial reactions to each freedom movement, such as the one in Nicaragua, which shocks the already so confused imperialists even worse.

The "natural" answer of the imperialists is an incessant stepping up of armament aimed at plundering the people in their own country, at expansion of one at the expense of another, at new neo-colonial adventures and in some also at an East-West confrontation.

But precisely in this context particular significance has to be attached to the SALT-II accord. With it in any event a new direction is outlined in the international relations between the USSR and the United States, which will also influence relations between other states, very particularly between the socialist countries and the capitalist countries in Europe.

Therefore the very greatest emphasis must be put on giving further substance to detente in the direction indicated by the SALT II accord. And no country can withdraw itself from the obligation of taking further steps on the road of detente and peace. Now opportunities for that exist. Now new opportunities exist for the peace movements. Precisely in this situation does the struggle against the neutron bomb acquire additional significance, in particular the new initiative of the Dutch cooperation alliance "Stop the Neutron Bomb," -- stop the nuclear arms race to hold an international relay race against the neutron bomb.

It cannot be denied that precisely in the current situation governments and peace movements in small countries have greater possibilities for effective steps. Countries such as the Netherlands can serve as an example and be a new source of inspiration for the entire international peace struggle.

IV

The position of our party is being discussed widely. Sometimes it is essentially a matter of a delayed reaction to the 26th congress. Also on our part it is necessary to appraise and re-appraise the position of the CPN. From the right comes the criticism that that position has not changed, not after the 26th congress either. But that is talking somewhat desperately against one's better knowledge. Claims that nothing has changed therefore

encounter regular protest, especially from circles of truly socialistic-thinking people. One and the other also came out at the PvdA congress where studying of a new approach of the CPN was urged: a sort of mutiny which worries the rightists a lot.

But simultaneously proof has been furnished here that something has positively changed. Not a single instance of anti-communist bad-mouthing remains unanswered. At the base of this is a change in viewpoint which did not come into being spontaneously, but primarily through our party's action. It is an outcome of the discussion which is caused by that action which, in my opinion, was more daring, renewing and taking the initiative in many areas of activity.

We do make mistakes; the view that "the party is always right" is foreign to us. But no one can deny that communists in today's political life, in action, take the initiative and play a recognized role. The people expect it from us and justly furnish criticism if we run behind.

We shall have to consider our activities further in the coming period. There are areas where progress has been booked (industrial work, recruitment of members, some sectors of propaganda), but there are also areas which demand more attention (establishment of new branches, strengthening of the work of administrations in that respect). The preservation of results already booked requires great exertion. It seems to me that it is not as much a question of doing more work, as of doing it with even more quality, for that will preserve the results. It will lead to furthering the labor movement and strengthening the party in it.

In this context the development of party life has turned out to be of special significance in initiating a broad basis of opinionforming in the party. This must occur in the spirit of action and the carrying out of congress decisions. The party life, the functioning of the party democracy, the discussion must be attuned to the many problems of action and to the answering of questions on ideas we have for the future, and on the Dutch road to socialism. Therefore the discussion in the fall on the first outline of a new program -- which deals with the CPN and democracy -- will be of very great significance.

The functioning of the democracy in our party leaves behind a trail of actions and of making more profound the insights of the members of our party. It is diametrically opposed to party events in the PvdA which often radiate discouragement, disintegration and passiveness.

As already mentioned, our propaganda has only had a first start toward greater versatility. In that respect the splendid WAARHEID festival has produced a good image: it functioned as a new meeting point of communists and their friends, of those who feel themselves linked with the CPN and DE WAARHEID through their views and life experiences. The festival also had a strong internationalistic orientation, which is at it should be in our struggle.

In conclusion it can be said that the successful elaboration of our party's policy has resulted in an important gain for the party itself -- it has grown further. But primarily labor-saving investments have been made. The foundations have been laid for further progress and for making the CPN even more visible. That is precisely the factor which asks for increasing quality along the whole line, for restless searching for improvement through friendly criticism of shortcomings, emanating from devotion to the matters to which we communists apply ourselves.

V

Our relations with other communist parties are being strengthened. That is important for the struggle against imperialism to be waged on an international level, for peace and progress, but also as a private contribution to mending the rifts in the international communist movement.

Against the background of the capitalist crisis and anti-capitalist resistance of a varied nature, united action is gaining greater and greater significance. Especially when it is also a matter of the study in depth of processes which shock the imperialist system. In my opinion imperialism is in an existentialist crisis, in which it is not too interesting to make estimates as to the tempo with which one and the other will come about and to think in dates and schedules as has been done in the past, without taking into account the many forces which act upon each other and the always new resultants produced by that.

But it is certain that the decisive struggle against capitalism -- with its crises, exploitation, armament and war preparation -- is fought /in/ [in italics] the capitalist countries, in alliance with all the peace forces in the world, the socialist countries, the freedom fighters in the third world with whom we feel ourselves allied, such as the fighters in Indonesia, but also the heroic freedom movements in countries such as Nicaragua. The development of practical mutual solidarity serves the interest of all democratic and peace forces.

There where the communists provide leadership, unity is increasing and alternatives are being developed in the direction of more freedom, more democracy, socialism.

Precisely now, it is an obligation of the international communist movement to study all of this thoroughly and profoundly and to assimilate both the great positive results of the struggle as well as the shortcomings, in the interest of the future.

Only in that manner will we be able to speak candidly about the great perspectives we communists have to offer together with other democratic forces. Behind the activity of communists in mass action, there has to be knowledge. This knowledge is multinational with respect to communists, precisely because it is based on experiences of many /autonomous/ [in italics]

parties which start out from the responsibility they have with respect to the workers in their own country.

The gathering and bringing together of that knowledge could also have a "crisis-controlling" influence within the international communist movement. The disputes in the international communist movement must not dominate the picture, although it is clear that often very important questions are at stake. The discussion on that and the coming to conclusions require time. But especially the existential crisis of imperialism requires a joint assimilating of knowledge and experience. Much is being done separately, but too little is done about gathering the total knowledge precisely which the labor movement needs in determining tactical and strategic policies.

Justly, much attention is being given internationally to launching discussions between the USSR and China, which seem to go in the direction of normalization of relations. Can this come about rapidly? Actually, what opponent of imperialism doesn't hope for that? But to demand that something like that take place in a forced tempo would be unrealistic. A well-considered caution is necessary here which must emanate from the thought that a recovery of faith must be possible. Let's not forget that the labor movement in the capitalist countries and the freedom movement in the third world can play an important role in mending rifts, by refraining from anything that could worsen relations between parties. That does not mean that discussion should be abandoned. With respect to the relations between parties, one should start from the conclusions as they were formulated at the Berlin conference of June 1976.

The labor movement, especially the communist parties, in the capitalist countries can give a great new momentum to the entire international communist movement by setting new, positive perspectives and objectives in the struggle against imperialism, for peace and socialism -- and in it the fact whether it occurs in a large or small country does not play that much of a role, but here also it is quality which tips the scale.

8700

CSO: 3105

NEW CHIEFS OF STAFF APPOINTED

Rotterdam NRC HANDELSBLAD in Dutch 27 Jul 79 p 3

["Personalialia" Column: "General De Jager Chief of Staff for Defense"]

[Text] Lieutenant General C. de Jager (53) will succeed General A. J. W. Wijting on 1 November 1980 as chief of staff for defense. The chief of staff for defense is the highest military official in the Netherlands. Lieutenant General De Jager, now chief of staff of the army and commander of the armed forces, will be succeeded as highest chief of the army by his current deputy, Major General J. G. Roos (53).

The new chief of staff for defense went into career service with the royal army in 1949. From 1948 to 1958 he was connected with the artillery school in various functions.

Later he worked at the headquarters of the general staff and at the joint staff of the committee of joined chiefs of staff and he was connected with the military college as a lecturer. Lieutenant General De Jager was appointed to his current office as of 1 May 1977.

General Wijting, who will retire at the end of next year, started his military career in 1942 as a flier with the Royal Air Force. After the war he performed numerous functions in the air force. At the end of the sixties he was appointed adjutant general of army personnel.

At the end of 1973 he was appointed chairman of the committee of joint chiefs of staff. In december 1976, upon restructuring the defense apparatus, his appointment as chief of staff for defense followed.

The future chief of staff of the army, Roos, started in 1949 as a commissioned officer in the infantry. After having pursued military training in the Netherlands as well as in the United States at the beginning of the sixties, he became an instructor of staff service and tactics at the military college.

From 1971 to 1973 he was commander of the 41st panzer infantry battalion shock troops. On 1 May 1977 General Roos was appointed to his current position of deputy chief of staff of the army.

DUTCH, SAUDI TIES FULLY RESTORED

Rotterdam NRC HANDELSBLAD in Dutch 23 Jul 79 p 1

[Report by editorial staff: "Saudis Back in Their Hague Embassy"]

[Text] The Hague, 23 July--Saudi Arabia after 3 years has decided to re-establish diplomatic relations with the Netherlands. At the beginning of this year approval was asked for the appointment of Sheik 'Iad Alshawaf; it was granted in March. The Dutch Government expressed its pleasure at the appointment of another ambassador.

During the war between Israel and the Arab countries in 1973 Saudi Arabia withdrew its ambassador in the Netherlands in protest against the pro-Israeli position of the Netherlands, according to the statement from Jiddah. In October 1973 Saudi Arabia prohibited the supplying of oil to the Netherlands. This prohibition was lifted in July 1974.

According to the department of foreign affairs the Arabian ambassador, however, remained on his post until 1 July 1976. Since that time two temporary charges d'affaires have served Saudi interests in the Netherlands "in an excellent manner," said a spokesman on the Square in The Hague.

The Netherlands has always maintained its ambassador in Jiddah. Since the beginning of this year Baron H. J. M. van Nispen tot Sevenaer has been active as such in Jiddah. He expressed his pleasure at the Arab appointment.

In an interview with ARAB NEWS Van Nispen stated that the main points of the Dutch policy with respect to the Middle East are those of all the countries of the European community.

Recently the personnel of the Dutch embassy has been increased in order to cope with the work resulting from increasing trade relations between the Netherlands and Saudi Arabia.

Van Nispen expects a slight increase of Dutch exports to Saudi Arabia in 1979.

TECHNICAL CONTACTS BETWEEN EC, OPEC INTERRUPTED

Rotterdam NRC HANDELSBLAD in Dutch 13 Jul 79 p 8

[Report: "EC Admits Break in Contacts With OPEC Countries"]

[Text] Brussels 13 July--Guido Brunner, EC commissioner for energy affairs, yesterday had to admit that the OPEC countries for the time being have had further "technical contacts" broken off with the European Community. "A certain irritation must exist in the OPEC countries," said Brunner in Brussels.

The journalists accredited with the European Commission in Brussels had asked Brunner to explain whether the contacts had been severed and why. Earlier the commission had had reports on that from London and the Arab world denied.

The OPEC countries most probably had been disturbed by remarks which Brunner made recently in the HERALD TRIBUNE. According to that paper Brunner opposed an OPEC policy containing a "controlled scarcity." In a talk with the HERALD TRIBUNE Brunner had labeled the recent oil price increase as an "economic brinkmanship," that is to say a policy which runs a continuous risk of disaster.

Brunner did not completely deny this yesterday, but said that he had said he had found such an OPEC policy indeed understandable, but difficult to carry out as an independent policy when the play of supply and demand must also remain in existence. In Brussels, Brunner said for that matter that he stood by the standpoint that a policy of "controlled scarcity" contains risks for the monetary system, the economy and employment opportunity in the world. He said he found it "useful to give that analysis."

In European circles in Brussels it is rumored that on Wednesday, during the weekly meeting of the European Commission (the "executive board" of the EC) Brunner had to listen to criticism on his remarks in the European Commission also. Brunner did not want to answer questions on that. He said only: "One should be careful about working with rumors," and "I have experienced a lot of friendship and friendliness from colleagues."

In Brussels Brunner once more underlined the fact that "we in Europe are heading for a difficult winter. Between the end of 1978 and July 1979 oil prices have risen by 57 percent. At the end of 1978 a barrel of oil still cost \$ 12.80 and now the price is \$ 20.00. That means that the oil bill of the European Communities has risen from 49 billion to 60 billion dollars per year, according to the European commissioner for energy. (ANP [General Netherlands Press Agency]).

8700

CSQ: 3105

BRIEFS

CUNHAL MEETS HUNGARY'S KADAR--[Apparent text of "Hungarian Socialist Workers Party (MSZMP)--Portuguese Communist Party (PCP) Joint Communique"] MSZMP Central Committee First Secretary Janos Kadar met in Tihany Wednesday with PCP Secretary General Alvaro Cunhal, who is resting in Hungary at the MSZMP Central Committee's invitation. The talks, which took place in a warm and comradely atmosphere, consisted of an exchange of information on the two parties' situation, activities and current tasks. There was an exchange of views on the international situation and on current issues of the international communist and workers movement. They reviewed the traditional good relations existing between the two parties. They expressed their mutual intention to continue to develop the relations between the MSZMP and the PCP in the spirit of Marxism-Leninism and proletarian internationalism. [Text] [Lisbon AVANTE! in Portuguese 9 Aug 79 p 2 LD]

CSO: 3101

PAPER SEES U.S. CEDING FOREIGN POLICY INITIATIVES TO EUROPE

Barcelona LA VANGUARDIA in Spanish 12 Aug 79 p 11 LD

[Commentary by Carlos Nadal: "Europe Regains the Initiative"]

[Text] We are experiencing the effects of a certain U.S. inhibition in international political affairs. The fall of the shah in Iran was a very clear indication of this stance. Now Somoza's overthrow in Nicaragua has occurred, so to speak, at the very heart of U.S. strategic and economic interests. Is this merely a matter of an apparent withdrawal and abandonment of the policy of open intervention in order subsequently to exploit the possibilities afforded by changes which it was neither desirable nor possible to avert without grave moral discredit? Or, on the contrary, is this situation caused by the trauma of Vietnam and Carter's shortcomings as a statesman, as many commentators believe?

It is possible that there is some truth in both views. There is no doubt, on the one hand, that Carter has inherited the premises of a policy line which Nixon initiated and which corresponds to the transformation of the present-day world. We are now remote from the events in the Gulf of Tonkin and the Bay of Pigs and the intervention in the Dominican Republic. U.S. diplomacy and the policies emanating from the White House and the State Department are largely the outcome of a conscious and carefully considered decision. The stance of those who harshly criticized Washington's interventionist strategy--the hackneyed "imperialism" instigated by the Pentagon--and are now representing Carter and his administration as a disoriented, indecisive and incompetent team, is inconsistent. This seems to me inconsistent, unfair and, to a large extent, naive. When Nixon said that the United States could not remain "the world's policeman," he was speaking with the discernment of the realistic and outstanding politician which he clearly was, setting aside the negative considerations of a different kind with respect to the president of Watergate.

The development of the economic, military and political situation in the present-day world necessitates new approaches to operating in it. It is not reasonable to believe that the United States allowed the Sandinists

to seize power in Nicaragua solely through incompetence, and so Washington's stance toward them should be interpreted within the context of a series of similar stances adopted by the United States over the last few years.

Of course, the other side of current U.S. diplomacy—that is, the fact that the policy of tactical withdrawal has not been implemented as consistently, effectively and skillfully as might have been desired—should not be forgotten, either. This was in fact the case in the case of Iran, and again in the case of Nicaragua. It is obvious that the weakness of the U.S. role in the world is largely caused by the fact that Carter has not acted with the vigor, authority and foresight of a great statesman, as can be seen from the fall in his prestige in the United States. But the extent to which the U.S. Congress is reducing the president's authority and helping to create a relative vacuum in the U.S. role in the world must not be disregarded either. Moreover, the United States is already experiencing a pre-election period; that is, everything in both foreign and domestic policy is done with a view to the great election contest in 1980, and this deprives the White House of a large degree of freedom of action.

Bearing these circumstances in mind, it is perfectly natural that others should take the initiative. Thus we are witnessing how with respect to the Middle East problem, the grave oil crisis and the problem of Rhodesia several European governments are making headway with imagination, making up to some extent for U.S. diplomacy's shortcomings or stagnation.

It is quite clear that the difficulties which have arisen with respect to oil supplies are not due solely to economic causes. What at first emerged timidly is now well to the fore: neither Saudi Arabia nor the Persian Gulf countries separate the strict problem of the production and price of crude from political motives, such as lack of confidence in U.S. support following the fall of the shah of Iran and disagreement with the Camp David agreements by which Carter promoted the establishment of peace between Israel and Egypt.

Washington is not acting very confidently in this field. It is trapped by its agreement with Jerusalem and Cairo, which in turn are hamstrung by their inability to achieve a solution to the Palestinian problem. The United States has recently shown certain signs of a rapprochement with the PLO, precisely in order to break the deadlock between the Egyptians and Israelis. But, as so often, the United States seems paralyzed between its oil interests and those of the Jews, who are untouchable in view of the elections.

But in the meantime there is something which cannot wait—the need to tackle the threat posed by the oil crisis. That is why several European political initiatives are taking shape. One of these was the meeting held by Austrian Chancellor Kreisky and Socialist International Chairman Brandt with PLO chief Yasir 'Arafat in Vienna. Another, more ambitious, initiative was recently aimed at the possibility of a broad comprehensive agreement between the EEC and the Arab oil producing countries—especially those of the Persian Gulf--

in order to insure supplies of crude and guarantee controlled price changes in return for arms sales and diplomatic support on the part of the EC.

As far as Rhodesia is concerned, the skill with which Britain has reassumed its responsibility in the search for a settlement is remarkable. The skill, tact and intelligence which characterized Margaret Thatcher's performance at the recent Lusaka conference contrast sharply with the ineffectiveness of Callaghan and Owen, who on this issue of Rhodesia always seemed vacillating and timidly pushed around by the outbursts and surprises on the part of Andrew Young--the uncontrollable colored man whom Carter recently dropped from his administration [as published].

Giscard d'Estaing, Schmidt and Margaret Thatcher seem prepared to play a more active role in world politics, whereas Carter is acting with increasing timidity, enmeshed in the tangle of his own contradictions. However, in this respect also the suspicion inevitably arises that the two aspects of U.S. foreign policy to which I referred at the outset are closely connected. The dynamism regained by Paris, London or Bonn in areas in which Washington alone used to play a leading role should perhaps not be considered in isolation from what is proposed and desired in the last-mentioned capital.

CSO: 3110

EDITORIAL COMMENTS ON AGREEMENT ON BASQUE STATUTE

Madrid YA in Spanish 18 Jul 79 p 5

[Editorial: "And What If There Had Been No Agreement?"]

[Text] The Basque statute recently approved by the major Basque parties which drew up and submitted it is basically still the so-called statute of Guernica, in other words, the bill which arrived in congress worded in such a way (using, for example, government and parliament instead of Council of Government and Legislative Assembly) that, from the standpoint of the constitution, one would have thought it would get nowhere.

However, a great deal more glaringly strident wording has been trimmed from the bill and, following an exhausting struggle involving long days of constant work, institutions have been left out, edges have been polished, and reservations, exceptions and specifications have been introduced, despite the fact that the toll has frequently been a lack of precision which will give rise to difficult discussions in the future and will give the Constitutional Tribunal many headaches.

The statute has unquestionably been handled in the same way the constitution was handled and, as in the case of the constitution, it is to be expected that many will be disappointed with the results and concerned about the future --a future which, considering the nature of these texts, depends to a great extent on the good faith and political strength of those who must enforce them.

We share this concern. We do not doubt the good faith of the PNV [Basque Nationalist Party] which, regardless of what its doctrine might be, is interested in seeing that the statute is enforced peacefully and in being the one to enforce it. However, we expect that this party will be subjected to very strong pressure from the independent left, and so far the PNV has not exactly distinguished itself by its ability to withstand such pressure. Nevertheless, we ask ourselves, and we ask all those who take shelter behind glib negative criticism, what would have happened if those who drew up and submitted the statute had not obtained this agreement--which is a precursor of the final one by the commission--and the Basque representatives had returned home empty-handed.

Since the PNV would then have been pushed decisively toward the aforementioned left, what solutions would have remained other than those involving police, or perhaps military, force? But for obvious reasons, neither of these solutions can solve a problem which is basically and fundamentally a political one, and either of these solutions could easily turn into a two-edged sword which wounds the person who wields it.

We are not so naive as to believe that approval of the statute will put an end to the bloodshed; however, the consolidation of an unmistakably Basque political force and the responsibility which almost always accompanies power may be a first step along the path--a very long path in any case--toward final peace.

It is obvious that this may not happen, either because of the PNV's weakness or--and this possibility should not be ruled out either--because the PNV may betray its true interests and give in to an extremist stance which, because of its social goals, is naturally antagonistic to the PNV and which disregards the Basque cause except as a tool for achieving its revolutionary objectives. The risk is great, but it seems to us that running this risk is the way to avoid an even greater risk.

The negotiation of the agreement submitted by the major Basque parties has followed the same channels as the constitutional negotiations. The two real sides in the constitutional negotiations were the ruling party and the PSOE [Spanish Socialist Workers Party]. This time the two sides have been the UCD [Democratic Center Union] and the PNV. We cannot understand the wrath of the socialists, who could have taken part in the talks but chose not to do so and are now objecting; this attitude is reminiscent of the notorious dog in the manger. It is easier to understand the displeasure of the other parties which helped to draw up the agreement but which have not been allowed to enter into the inner circle where the decisions were made. These decisions were not made at the palace on San Jeronimo street, but rather at the Moncloa palace. We repeat that we understand the displeasure of these parties and any argument based on pure democratic principle which might be made in support of this displeasure. However, we think that, in any case, the commission will be the one to give its seal of approval to the agreement, and we wonder if the agreement could have been reached in any other way.

9494

CSO: 3110

CCOO PROPOSES REVISION OF LABOR AGREEMENTS

Madrid EL PAIS in Spanish 17 Jul 79 p 45

[Excerpts] The CCOO [Workers Commissions] will advocate the revision of all labor agreements so that wages will be increased by the absolute percentage of consumer price increases during the first half of the year. It will not accept government imposition of a revision of only those agreements for which wage increases were less than 14 percent, nor that the increase be limited to a strict raise on the order of 6.5 percent for the first half of the year.

Regarding the UGT-CEOE [General Union of Workers-Spanish Confederation of Business Organizations] agreements, the confederation secretariat has insisted that they do not represent any progress for the working class and that therefore the CCOO does not accept these agreements as a basis for negotiation with either the employers' organization or the government. Furthermore, according to the administrative committee of this labor organization, negotiations of the kind begun by the UGT and the CEOE lead to a break in unity of action and to the division of the workers.

With regard to the latest meeting between the CCOO and the CEOE, the confederation secretariat has noted that the two organizations operate from very different motives but that, nevertheless, the CCOO believes that these contacts should continue, especially those to discuss wage revision and the country's economic situation and prospects. Regarding the workers' statute, the secretariat has expressed its willingness to hold talks with the employers' organization concerning the methods to be used to discuss this statute. Talks with COPYME [General Confederation of Small and Medium Businesses of the Spanish State] and CEPYME [Spanish Confederation of Small and Medium Businesses] will continue. A new meeting has been scheduled with CEPYME for the 18th.

9494

CSO: 3110

BLAS PINAR COMMENTS ON BASQUE STATUTE

Madrid YA in Spanish 20 Jul 79 p 14

[Text] As reported in yesterday's edition, the fraternal dinner organized by the national confederation of brotherhoods and associations of former fighters to commemorate 18 July lasted until dawn. Luis Peralta Espana, Raimundo Fernandez Cuesta and Blas Pinar, among others, spoke at the dinner.

Luis Peralta Espana, secretary general of the confederation, said in his speech: "Spain must be saved from the marxist holocaust and this will be accomplished if we bring together all national forces into a monolithic bloc." Then Raimundo Fernandez Cuesta, national chief of the Spanish falange of the JONS [Junta of National Trade Union Action], referred to the "serious plight in which Spain finds itself thanks to the existing separatism and lack of unity," and placed special emphasis on the recently approved Basque statute. Fernandez Cuesta concluded by saying: "By whatever means are necessary, regardless of whether they are democratic or undemocratic, we must demand that the state use violence legally against illegal violence." Finally, Blas Pinar, deputy for National Union and president of New Force, referred specifically to the Basque statute, which he described as a "curse for Spain and the first step toward the division of the fatherland."

9494

CSO: 3110

BRIEFS

MORE SAUDI ARABIAN OIL--It has been learned that Turkey received a favorable response from Saudi Arabia in its request for 5 million tons of petroleum annually to help meet its crude oil needs. According to the information which was received, during the visit of a ministerial delegation headed by TPAO (Turkish Petroleum Corp) Director General Ismail Ertan to Saudi Arabia, the request for 5 million tons of crude oil per year was accepted "in principle." A new round of negotiations is to be held next month. The final decision shall be made at that time. [Text] [Istanbul GUNAYDIN in Turkish 28 Jul 79 p 1]

DOGAN MOBILIZES AGAINST DIVISIONISTS--Minister of State for Religious Affairs Lutfu Dogan has stated that "during the month of Ramazan, members of the clergy, in their speeches at mosques both at home and abroad, shall caution the people about divisionists." At a press conference held in Aydin, Minister of State Dogan stated: "with this goal in mind, 150 members of the clergy have begun their work at home, while 100 have gone abroad." Dogan indicated that "those who wish to foment unrest by creating a sectarian rift shall not succeed in their objectives." He stated: "The exalted members of our clergy have taken on this task. In their speeches at the mosques they shall explain the problem with complete candor. They shall expose the objectives of the provocateurs, they shall see to it that Muslim Turkish people are not deceived." [Text] [Istanbul MILLIYET in Turkish 28 Jul 79 p 9]

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